

{In Archive} hydraulic fracturing in the news

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State Hydraulic Fracturing Disclosure Rules and Enforcement A Comparison.pdf

NRDC Finds Incomplete State Rules On Chemical Disclosure for Fracking

By Tripp Baltz BNA Daily Environment Report

DENVER—No state can boast a comprehensive chemical disclosure requirement for oil and natural gas producers using hydraulic fracturing, the Natural Resources Defense Council said in a report released July 26.

“Each of the state rules we analyzed has significant gaps in its requirements,” said the NRDC report, State Hydraulic Fracturing Disclosure Rules and Enforcement: A Comparison.

Trade-secret exemptions create loopholes in most state rules, “allowing companies to deem information proprietary and prevent disclosure,” the report said. And in many cases, states do not consistently enforce disclosure requirements, it said.

“We found multiple states where disclosures we reviewed consistently failed to meet requirements,” the report said. NRDC also noted that some states provide certain information to the public through physical inspection of well records, “severely limiting” their availability.

Despite the inconsistencies, NRDC said, the oil and gas industry cites state chemical disclosure rules as evidence that “state regulation is adequate” and new federal standards are unnecessary.

Thousands of wells are hydraulically fractured, or fracked, each year, NRDC said. Fracking is the high-pressure injection of water, sand, and chemicals deep underground to release oil and natural gas trapped there.

New Disclosure Rules Said Needed

Because its use is so widespread, it is essential that new disclosure rules are put in place to adequately inform the public, NRDC said.

The report gives several recommendations as to what should be included in chemical disclosure rules, among them prior notice of fracking to landowners and nearby residents.

Rules also should require confidential information to be provided to state regulators and require a process for the public to challenge confidentiality claims, NRDC said.

A similar report released earlier in the month by OMB Watch also found that state laws requiring the disclosure of chemicals used in fracking did not adequately protect human health and local water supplies. It urged the Environmental Protection Agency and other federal agencies to track and monitor the use of toxic chemicals under the Emergency Planning and Community Right-to-Know Act and Toxic Substances Control Act (142 DEN A-7, 7/25/12).

Kathleen Sgamma, director of government affairs for Western Energy Alliance in Denver, told BNA July

27 it was a "ridiculous assertion" that no state has a comprehensive disclosure rule. "And there have been no incidents of contamination of groundwater from hydraulic fracturing."

For More Information

The NRDC report, State Hydraulic Fracturing Disclosure Rules and Enforcement: A Comparison, is available at <http://www.nrdc.org/energy/files/Fracking-Disclosure-IB.pdf>.

Water flows to money in drought-stricken drilling regions

Gayathri Vaidyanathan and Ellen M. Gilmer, E&E reporters Energywire Published: Monday, July 30, 2012

Farmer Mike Cather, 55, lives in Harper County, Kan., at the center of the emerging Mississippi Lime oil field. His land is dry, his 950 cattle do not have enough to feed on, and ponds and streams are running low.

The oil industry is helping him cope, said Cather, who has three oil wells on his property.

"It's made this drought easier to stomach," he said. "I would be incurring more debt just to get through this drought period, and I'm not having to because of the industry."

Agriculture Secretary Tom Vilsack tours Eric Cress' farm early this week to examine crop damage caused by the drought. Cress said the Center Point, Iowa, farm is running around 7 inches behind normal rain levels for this time of year. U.S. Department of Agriculture photo by Darin Leach.

But water is starting to become an issue for the oil companies in Harper County. Restrictions on withdrawals from some streams kicked in earlier this month. There isn't much groundwater available in the arid region, prompting companies to go on a hunt for privately owned supplies from farmers and adjacent municipalities. The price of water has gone up to as much as 25 cents a barrel (1 barrel is 42 gallons), making the liquid a valuable revenue stream for farmers.

More than half of the United States is suffering from a drought, the worst recorded since the 1950s. High temperatures and low rainfall have dried out crops as well as rivers and streams, the very sources that oil and gas producers rely on for water in some states.

A regional water commission in northeastern Pennsylvania's gas country has suspended some permits for pulling water out of rivers and streams because of low flow levels, affecting the gas industry in the Marcellus Shale formation. Texas regulators last week put consumers on notice that it might curtail surface water withdrawals. In Oklahoma, municipalities are rationing water.

On the whole, the drought is not crippling oil and gas production, but companies are trying to cut their water consumption anyway, regulators, trade groups and companies told EnergyWire. The process of horizontal drilling and hydraulic fracturing, or fracking, can use anywhere from 4.1 million gallons of water in the Barnett Shale basin around Fort Worth, Texas, to between 6 million and 12 million gallons in the drought-prone Eagle Ford Shale in southern Texas.

The operators inject pressurized water underground, together with chemicals and sand, to break apart shale-rock formations and release oil and gas. Technology advanced by independent oil and gas producers has catapulted North America into a leading global energy producer, pushing water issues to the forefront for communities around oil and gas fields and for producers with plans to expand drilling.

The oil and gas industry's consumption of water is still relatively small, although it is growing at a rapid clip. But the dry spell has prompted questions from environmental groups and residents about how ready drillers and regulators are for additional strain on the water supply. Too much fresh water has disappeared, they say, and wastewater cannot be reused or returned to the water cycle without expensive treatment.

In some states, there isn't much clarity around how much water can be removed from freshwater supplies over the coming decades before depleting resources.

"How much can we really afford to divert for this purpose in a year? That's a number I think state and regulatory agencies need to work hard to come up with," said Jason Bates, spokesman for Colorado-based Western Resource Advocates. "We're sort of flying blind here, and that's not safe for anyone."

Texas braces for August

The state where the U.S. unconventional oil and gas boom began is just recovering from last year's drought, when it experienced the driest seven months on record. The Eagle Ford and Permian Basin oil and gas plays are still experiencing a moderate to severe drought, according to the National Weather Service (EnergyWire, March 6).

Many shale basins (pink) fall within parts of the United States where drought is expected to persist or intensify (brown). Water shortages are expected in Pennsylvania, Ohio, Arkansas, Oklahoma, Kansas, Texas, Colorado, Wyoming and Utah. Click the map for a larger version. Map data courtesy of the Energy Information Administration and National Oceanic and Atmospheric Administration.

Despite a slight abatement in drought conditions, the Texas Commission on Environmental Quality issued a statewide warning last week that it might curtail water rights this summer. Commission spokeswoman Andrea Morrow said the warning was inspired not so much by current conditions in Texas but by what is happening in the rest of the country. Regulators worry that drought conditions will spread into Texas in August, so they are taking precautions and hoping that water-rights holders start conserving.

The commission has issued six permits in the past six months to drillers for temporary withdrawals from streams, but Morrow said the permits could be pulled if things dry up further. They were last year. Regulators suspended permits to take water from streams in the San Saba River watershed outside of the Eagle Ford and Permian basins in the middle of the Texas drought of 2011.

Still, Texas drilling activity continued unabated last year, as drillers relied on groundwater or bought supplies from municipalities.

This year, Texas oil and gas field operators say they are securing water supplies. Devon Energy spokeswoman Cindy Allen said the company has adjusted its drilling schedule until water restrictions are lifted and its recycling and conservation pick up the slack.

Oil amid farms

Concern about water supplies east of the Mississippi River is heating up. In waves throughout the past month, peak day temperatures up and down the East Coast have been in the 90- to 100-degree-Fahrenheit range.

Trade groups for the unconventional drillers say they are managing water better all the time, shielding them from their worst-case scenario: having to shut in a large number of rigs and fracking operations. Some companies treat and reuse their wastewater. Some build reservoirs to collect and store rainwater for future use and do research into ways to use brackish water instead of freshwater. And they are changing their drilling schedules, so they frack only after restrictions during periods of drought are raised.

"A continuing drought could cause our domestic production to decline and derail our 'road to energy independence' in a hurry," said Chris Faulkner, CEO of Texas-based Breitling Oil and Gas. "In many areas, companies that sell water to oil and gas drillers also sell to farmers. Farmers come first."

The National Weather Service has classified parts of Pennsylvania and Ohio, which overlie the Marcellus and Utica shale formations, as suffering from moderate to severe drought. Low levels in Susquehanna River prompted the Susquehanna River Basin Commission (SRBC) this month to suspend dozens of water withdrawal permits in its 27,000-square-mile watershed, a hotbed of natural gas production. Drillers must stop drawing from the system when water levels reach a low point specified in their water permits from the commission (EnergyWire, July 19).

Travis Windle, a spokesman for industry group Marcellus Shale Coalition, called water-saving and

recycling technologies "environmental and economic winners." But those technologies are also required in Pennsylvania, where the geology does not allow injection of wastewater into the ground for disposal. Transporting wastes to adjacent Ohio can be more expensive than retreating, and recent changes in state rules require drillers to treat their waste in specialized facilities before releasing it into water systems.

Kathryn Klaber, president of the Marcellus Shale Coalition, asserts the SRBC water suspensions are short-lived and drillers can outlast water restrictions because of their reliance on recycling and reusing wastewater.

That might be good for an industry that could face tougher rules governing when its members can and cannot dip into rivers and streams during hot and dry periods.

Under a pending SRBC proposal, field scientists would measure river and stream levels against monthly seasonal cycles instead of with a conventional method using annual average flow rates. The commission and Nature Conservancy, which developed the proposal, say the plan updates and brings more precision to the science, and it is in the context of an expected increase in demand from Rust Belt industrial sectors and a growing population.

Michele DePhilip, director of freshwater conservation in the Nature Conservancy's Pennsylvania office, said it is an appropriate response to rising water demand from oil and gas producers. "There's now demand for water in streams that hadn't had any or many withdrawals from them," she said. "It certainly highlights where the potential impacts [of water withdrawal] are when we see conditions like we have this year."

Compared to the parched watersheds of the West and troubled waterways in the Southeast, the Susquehanna system is relatively abundant, taking in 50 billion gallons of precipitation a day under average conditions. But the Nature Conservancy points to growing population projections and the potential for a rapid decline in water abundance if industrial development tied to oil and gas escalates.

"It could still have a lot of effect ecologically," DePhilip said.

The SRBC expects the population around the lower Susquehanna Basin to increase 30 percent in the next 20 years. The Marcellus Shale underlies about three-quarters of the basin, and drilling there accounts for about 5 percent of the system's consumptive water use.

Much of the rest of Pennsylvania, including the state's part of the Ohio River Basin, is managed by the Department of Environmental Protection. A DEP spokeswoman said the agency plans to continue granting water permits on a case-by-case basis, which is, "in essence, a low-flow policy," as prescribed in the Susquehanna basin.

Water marketplace in the West

Parts of Colorado, Wyoming and Utah are in an "exceptional" drought, according to the National Weather Service, but it has led to water shortages for drilling.

In the West, scarce water for farmers, ranchers, municipalities and companies to drench the parched earth goes first to those who have held permits the longest. Because gas drillers have acquired water rights more recently, they are more likely to be cut off first. The farmer or rancher whose property was in the family for generations and has an aging document giving him or her first dibs on water is less worried about being cut off.

With oil and gas elbowing their way in, a new marketplace is cropping up around water scarcity. Farmers are transferring their rights temporarily to oil companies in exchange for cash.

"One of the sayings out here is that water flows to money," said Bob Leake, regional engineer at the Utah Division of Water Rights.

In such cases, the companies are allowed to extract a smaller amount of water than a farmer under

transferred permits because water used in fracking is not returned to the water cycle, Leake said.

In Colorado and Wyoming, water storage and reuse have so far saved drillers from drought-related problems, said Bob King, interim director of the Wyoming Oil and Gas Conservation Commission. Colorado also has recommendations for drillers to do more water recycling and reuse, partly because of the West's history of contentious water conflicts, said Karen Spray, acting environmental manager for Colorado's oil and gas agency.

But Western Resource Advocates, which released a report last month on water use in fracking, is pushing for Colorado and other Western states to do long-term studies on the effect of increased drilling on the water supply.

"We've got the worst drought for at least 10 years, we've got water restrictions in different cities, so why are we selling water to oil and gas companies -- or for any other use?" said Bates of Western Resource Advocates. "Let's plan out our water use so that 10, 15 years from now we don't go, 'Oops, we're out of water.'"

Some areas of Kansas, Arkansas and Oklahoma are seeing dry weather for the second year running. Ranchers are downsizing their herds because less feed is available from the parched Midwest.

"We stood in cornfields yesterday that were only 2 feet tall," said Lane Letourneau, water appropriations program manager for the Kansas Department of Agriculture's Division of Water Resources, who is touring the drought-stricken parts of his state. "They were facing a disaster. I felt sorry for those folks."

But oil and gas is surviving because they are either managing their water use carefully or buying water from suppliers who still have plenty available, Letourneau said.

In Kansas, SandRidge Energy have been using salt water that cannot be used to feed people or cattle for drilling, said farmer Mike Cather, on whose property SandRidge is operating. The driller did not return a request for comment. Arkansas-based driller Southwestern Energy said it has not been directly affected by the drought, primarily because it uses less than one-tenth of 1 percent of the state's waters. Southwestern also built more than 160 freshwater ponds on private lands to collect rainwater. It is piped to the energy fields.

In Oklahoma, where farmers have to haul water long distances to feed cattle, people have not complained about the oil industry's claims to water, said Brian Vance, spokesman for the Oklahoma Water Resources Board. Drilling is localized in sparsely populated counties. For example, he said, while the oil industry has consumed 47 percent of the total water in tiny Coal County and 32 percent of the water in Hughes County, there isn't much competition for the resource.

"There still could be water shortages in the future, but we don't envision these two counties as particular 'problem areas,'" he said.

Reporter Nathaniel Gronewold contributed from Houston.

In D.C., thousands gather to 'Stop the Frack Attack'

Gayathri Vaidyanathan, E&E reporter Energywire Published: Monday, July 30, 2012

Ray Kemble, a resident of Dimock, Pa., thinks U.S. EPA is telling the nation lies.

Holding a gallon jug of brown water from his water well in one hand and a "Stop the Frack Attack" signboard in his other, Kimble joined an estimated 4,000 protesters in Washington, D.C., on Saturday to speak out against the oil and gas industry.

Among the attendees were environmental celebrities including Bill McKibben, founder of 350.org; Josh Fox, director of the film "Gasland"; Allison Chin, president of the Sierra Club's board of directors; and Calvin Tillman, former mayor of DISH, Texas.

The protesters, organized by a coalition of community and environmental groups, were speaking out against hydraulic fracturing, a technique where pressurized water is injected underground together with sand and chemicals to split shale rock and release oil and gas.

Concerns have been mounting that fracking-related activities will contaminate groundwater with toxic chemicals, pollute the air with methane and other gases, generate earthquakes and otherwise damage the environment. Studies have not tied fracking, defined very narrowly, to groundwater contamination, but drilling overall has been tied to contamination and spills.

The protest was meant to push Congress to tighten regulations and close exemptions for fracking under the Clean Water Act and some environmental laws.

Kemble is from the town of Dimock, where residents have said for years that fracking is contaminating groundwater. EPA said last week that although some chemicals were found in water wells, they were not related to fracking. And the chemicals were not present at high enough levels to be a threat to health (EnergyWire, July 26). EPA has stopped supplying water to residents.

Kemble alleged that his water was still polluted, despite what EPA has told the rest of the nation. He said EPA officials have privately told Dimock residents to avoid drinking or using the water.

He had with him the results from an EPA test, dated July 23, 2012, that showed his water well contained lithium at levels higher than the federal safe limit of 31 micrograms per liter. The chemical may be naturally occurring, but Kemble does not believe it is.

Such water concerns competed with the worries about climate change Saturday as the mercury climbed to a blistering 95 degrees Fahrenheit with high humidity on the lawns of Capitol Hill. Various protesters said that the sun, wind and tides should be used instead of fossil energy to power our society. McKibben of 350.org laid the blame for recently recorded climate extremes on the oil and gas industry, saying fracking would only liberate methane, a potent greenhouse gas (EnergyWire, July 20).

Some protesters had arrived earlier to meet with congressional representatives and lobby for tighter regulations and renewable energy. Charlotte Bevins from Buckhannon, W.Va., met her representative, Shelley Moore Capito (R), to tell her about Bevins' brother, who was killed on a natural gas drill site in upstate New York last year.

"There are so many more aspects to this [fracking]. It's not just water contamination or pollution of our air; there are actually lives being lost," Bevins said. "I asked her, is this worth taking lives, and she agreed it wasn't."

But Capito voted "yea" on a bill (H.R. 4078) last week that would halt most major federal rules, including ones regulating fracking, until unemployment drops below 6 percent (Greenwire, July 26). The House passed the bill along partisan lines last week, but it is unlikely the Senate will pass the legislation. The congresswoman has received \$882,881 in funds from the oil, gas and coal industry since 1999, according to OpenSecrets.org.

Such contributions provoked Josh Fox, the filmmaker, to compare the Washington monument to a rig that can reach below the Capitol by horizontal drilling.

"I wanted to make a point about how money is corrupting our political system and how the Capitol is the biggest frack site in the country," he said in an interview. "That we have horizontal drilling going underneath our Capitol, shooting money up our chamber and fracturing our democracy."

Many more protests are planned throughout the summer in New York and elsewhere, Fox said.

The protesters walked to America's Natural Gas Alliance to deliver gallon jugs of contaminated water and later to the American Petroleum Institute, where bemused guards stared at them from within a seemingly

empty building.

One critical voice came from a natural gas driller on a visit to Washington, D.C., who works on the Bakken Shale play in Montana. He stopped a young woman and asked her how she came to Washington. She said she had taken a bus.

"Well, where did the petroleum come from to run that bus?" said Jerry Losing of Montana. He said it is necessary to move away from fossil fuels in the future, but our society is not ready yet. And residents of Montana and North Dakota, including farmers and drillers, have benefited immensely from the oil industry, he said.

"It is what makes our part of the country work," he said. "We need to stop all these old ideas, but we can't all turn the switch off and go to wind generators or electric cars," he said. "It's going to take a while before everything can happen."

OnPoint: America's Natural Gas Alliance's Robertson discusses hydraulic fracturing chemicals, Dimock Last week, U.S. EPA found that contaminant levels in the water in Dimock, Pa., showed no health threat and no connection to hydraulic fracturing chemicals. What is the broader significance of the finding to the national fracking discussion? During today's OnPoint, Peter Robertson, senior vice president for legislative and regulatory affairs at America's Natural Gas Alliance and a former chief of staff and deputy administrator at EPA, discusses the Dimock case and also talks about the potential for price fluctuations in the natural gas market. Today's OnPoint will air at 10 a.m. EDT.

Corps' Expanded Permit Coverage For Oil And Gas Sites Draws Concerns

Inside EPA Posted: July 27, 2012

The Army Corps of Engineers has expanded the range of oil and gas drilling activities governed by its streamlined Clean Water Act (CWA) permits, prompting concerns from environmentalists who say it will make construction of drilling wells easier in the booming shale gas sector, subjecting the activity to inadequate permitting and EPA oversight.

One activist called the permit change "another way to fast-track fracking."

Activists say they would rather the activities be subject to stricter individual permits, which give EPA greater oversight of projects' impacts and provide a better means for tracking the booming shale sector. "This is of real concern because thousands of activities are authorized under [Nationwide Permits (NWP)] and significant cumulative impacts are hidden" whereas individual permits issued under section 404 of the CWA allow EPA a stronger consultation role and generally have a better process for vetting potential adverse effects of a project, another environmentalist says.

"A lot of problems never see the light of day with the NWPs," the second activist says.

The new approach is also drawing concern from industry sources who are concerned that even the new coverage under the NWPs could result in additional EPA oversight of well siting, given that the agency has recently stepped up its use of its section 404 authority to oversee siting of drilling sites.

NWPs govern discharges of dredge-and-fill material from projects that have limited environmental impacts -- confined to half an acre -- and are intended to speed permitting for those projects. Regulated entities generally seek coverage under the permits, which requires them to comply with the permit's terms but also shields them from CWA enforcement actions alleging unlawful discharges.

Activities that the Corps determines would have significant environmental impacts must be authorized under individual 404 permits, a process which involves a more rigorous, site-specific review of potential adverse effects, gives EPA a stronger oversight role and often becomes the target of environmentalists' litigation.

Earlier this year, the Corps issued revised versions of its 48 NWPs that authorize various dredge-and-fill activities in streams, wetlands and other jurisdictional waters under section 404 of the CWA and section

10 of the Rivers and Harbors Act for a host of projects including agriculture, navigation, development and transportation, along with two new permits for land- and water-based renewable energy proposals. Relevant documents are available on InsideEPA.com. (Doc ID: 2405832)

While the new permits took effect March 19, subjecting some activities to coverage under the permits could be uncertain if some endangered species are nearby because the National Marine Fisheries Service has issued a finding that the permit program may put some species "in jeopardy," though the Corps is asking the service to reconsider its finding (Water Policy Report, July 16).

At issue are apparent modifications the Corps made to its NWP 12, which governs utility line activities, and NWP 39 for commercial and institutional development, that the Corps and sources say will mean broader coverage of some oil and gas related structures, including wellpads, under the general permits.

In the final permits that the Corps issued earlier this year, which authorize discharges through 2017, it dropped draft language that would have extended permit coverage for many oil and gas production activities that had previously been exempt, such as construction of well pads and other attendant features.

"We believe that existing NWPs 12, 3, and 39 are sufficient to provide general permit authorization for gas utility lines and associated infrastructure," the Corps says in a Federal Register notice announcing the new five-year permit. "We agree that the construction of pads for oil and gas wells is a type of commercial development that would be appropriate for inclusion in this NWP."

The Corps did, however, say that Army Corps District engineers may add conditions to NWP 39 authorizations to require the removal of these pads and restoration of the site once oil and gas production ceases.

And it also dropped language that was in both its previous 2007 NWP 39 --governing commercial and institutional development projects -- and the draft NWP 39 released for public comment last year that allowed coverage for oil and gas wells and some other activities. That language says, "The construction of new golf courses, new ski areas, or oil and gas wells is not authorized by this NWP."

Environmentalists have long charged that the streamlined permitting approach results in cumulative environmental harms, despite the fact that NWPs are only issued where the Corps believes the impacts will be minimal. Those criticisms are likely to intensify if the general permits are used for oil and gas sites, where environmental groups have repeatedly urged federal agencies to better review cumulative impacts under the National Environmental Policy Act and other laws.

Some activists say that any additional coverage of onshore oil and gas activities under the NWPs is problematic, given the widespread and rapid development of domestic shale resources. They charge that the program lacks a way for the Corps to accurately track how many projects are being authorized.

Environmentalists have already sued over one such application. Activists charge in *Sierra Club, et al. v. U.S. Army Corps of Engineers, et al.*, which was filed last month in the U.S. District Court for the Western District of Oklahoma, the Corps' decision to apply NWP12 to the southern leg of the controversial Keystone XL tar sands oil pipeline violates the CWA because it fails to consider the cumulative impacts of hundreds of small wetlands crossings that fall below the permit's threshold.

One industry source says the Keystone suit could have "huge" consequences for other oil and gas drillers because they rely heavily on NWP 12. "They are essentially saying that by allowing NWP coverage for single and complete linear projects, the Corps has disregarded taking into consideration cumulative impacts as required by the 404(b)(1) guidelines -- especially on a big project like the TransCanada pipeline."

Other industry sources are also concerned that expanded range of activities now covered by the permit could mean greater EPA oversight of well siting. Earlier this year, for example, EPA Region III issued compliance orders to West Virginia drilling companies requiring them to seek section 404 permits and to

undertake mitigation activities as a result of the construction of wellpads, access road and other structures related to natural gas development.

One industry lawyer says that the Corps has been conducting outreach to oil and gas companies to make them aware that any siting of wellpads, road or other aspects of their operations that occurs in or near waters subject to the CWA must obtain 404 permits, though that source says "we've heard a more friendly delivery" from the Corps than from EPA on the issue.

A second industry attorney previously told Inside EPA, that 404 authority may provide EPA a stronger platform for oil and gas enforcement than other environmental statutes because it allows them access to sites with "relatively little question" as to their authority.

"While the scale of fill activities from O&G activities [oil and gas] will no doubt be smaller (by orders of magnitude) than those found in surface coal mining, [the Corps] has already made clear that Section 404 permitting for O&G operations is on the radar screen," John Wilkinson, of Spilman Thomas & Battle, wrote in an April 3 blog post.

He cautioned that "it is certainly conceivable that EPA might seek to veto use of an NWP by objecting to a pre-construction notice" under its CWA 404(c) authority.

"The applicability of the NWP 39 to O&G related construction should make keeping in compliance with CWA Section 404 relatively simple for the industry, so long as any proposed construction can be designed to meet the permit criteria (i.e., less than or equal to ½ acre of non-tidal waters or 300 linear feet of stream bed)," Wilkinson wrote. "Yet it must always be remembered that EPA retains oversight authority over [Army Corps] permitting. A particularly vulnerable spot could be EPA's disagreeing with a District Engineer's determination that a 300 linear foot waiver will cause only 'minimal adverse effects.'" -- Bridget DiCosmo

A business built on Wisconsin sand Miners flock to state to supply fracking operators
Milwaukee Journal Sentinel (WI) - Monday, July 30, 2012
Author: KATHLEEN, GALLAGHER;kgallagher@journalsentinel.com, Milwaukee Journal Sentinel: Staff

The latest indication of how rapidly the frack sand mining industry is growing in western Wisconsin can be found on Wall Street.

Houston-based Hi-Crush Partners LP, whose sole operation is in the tiny Monroe County town of Wyeville, wants to raise \$200 million in an initial public stock offering.

In operation for a little more than a year, the Hi-Crush mine has experienced rapid growth. Trains with more than 80 cars regularly depart with tons of sand for delivery to the oil and gas production industry. The mine is producing about 1.6 million tons of sand a year.

The company constructed its Wyeville plant on 561 acres, expanded in March, and hopes to expand even more.

Hi-Crush is seeking permission from federal securities regulators for the stock offering. The company estimates in its offering documents that it could have as much as \$80.1 million in 2015 revenue from sales of 1.13 million tons of sand at an average price of \$71 a ton.

The documents provide insight into Hi-Crush's Wyeville operation, and into a booming industry that in the last 12 months has taken westcentral Wisconsin - and regulators - by storm.

"I don't think we've ever seen anything like this," said Tom Woletz, an Eau Claire-based senior manager with the Wisconsin Department of Natural Resources. "This thing just dwarfs everything; it's unprecedented." Across 14 Wisconsin counties, groups ranging from giant corporations to a few people with a backhoe are mining frack sand for shipment to North Dakota, Oklahoma, Texas and other states. Companies use the sand to help extract gas and oil out of shale rock.

The Upper Midwest's pure white quartz sand - some call it Northern White, or Wisconsin White - is the right size, shape and strength for hydraulic fracturing , or fracking . The sand is pumped into wells to keep fractures in the shale open so that trapped oil or gas can flow out.

Woletz says there are at least 63 frack sand mines and 37 processing facilities in the state.

The sand mining industry has grown rapidly, and there do not appear to be any public economic-impact assessments. The mines are creating jobs for equipment operators, engineers, construction workers and others, along with spurring business for car dealers, restaurants, law firms and even the Marshfield Clinic, where newly hired workers are lining up for physical exams, Woletz said.

"You go up to some of these towns, particularly in Chippewa County, and see four new facilities that weren't there two years ago, and hundreds and hundreds of rail cars in the queue, and sand trucks, trucks bringing in steel, concrete trucks - it's a beehive of activity," he said.

The mining also is attracting complaints from environmentalists concerned about health hazards that could come from airborne silica particles resulting from the mining activity.

Local residents also complain about congestion because of the long, slow trains, increased number of trucks and additional noise. Some state counties - including Dunn, Eau Claire and St. Croix - have set moratoriums on sand mining.

North American demand for proppants - the term the industry uses to describe the sand or synthetic materials that hold fractures open - grew by 28% annually during the five years that ended in 2011, when sales reached \$3.7 billion, according to Hi-Crush's documents.

Frederick, Md.-based U. S. Silica, which has operations in Wisconsin and other states, was the first pure frack sand company to go public, raising about \$42 million in February.

Hi-Crush appears to be the first frack sand company with operations exclusively in Wisconsin to seek an initial public offering.

A related company, Hi-Crush Proppants LLC, will receive all of the proceeds from Hi-Crush Partners' public offering but is expected to contribute certain assets and \$6.2 million to Hi-Crush Partners, the filings said.

Hi-Crush Proppants is constructing a 1.6 million-ton processing facility in Augusta, and is acquiring 700 acres in Tomah, six miles from the Wyeville facility.

Hi-Crush Partners hopes to expand operations in the state, according to its filings.

It is seeking additional acreage in Wyeville, where it estimates it already has 48.4 million tons of reserves and a 33-year reserve life.

Also, Hi-Crush Proppants LLC has the right to make a first offer on 1, 700 more acres in western Wisconsin.

The DNR's Woletz said he is regularly contacted about the sand mining by national media outlets and Wall Street investment firms.

A geologist from Koch Industries calls him about once a week, and he's heard from potential Chinese investors.

He said he doesn't see any sign of the boom slowing, with some sand mines planning out for 50 to 75 years.

"When somebody puts in \$200 million of infrastructure and processing capability, they're in there for the long run," Woletz said.

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Caption: HI-CRUSH PARTNERS LP Houston-based Hi-Crush Partners mines sand near Wyeville in west-central Wisconsin for use in domestic oil and natural gas production. HI-CRUSH PARTNERS LP Hi-Crush Partners'Wyeville facility can process 1.6 million tons of sand per year. There are more than 60 fracking sand mines in the state, according to the DNR.

Landowner refusal can't stop drilling
No to 'fracking' doesn't mean no
Columbus Dispatch, The (OH) - Sunday, July 29, 2012
Author: Spencer Hunt, THE COLUMBUS DISPATCH

Steve Neeley estimates that he has spent more than \$500,000 over the past 12 years to build a country estate in southern Portage County.

When a Chesapeake Energy land man approached him months ago with an offer to lease the Utica shale mineral rights beneath his meticulously landscaped 9.5-acre property in eastern Ohio, Neeley declined.

That's when, Neeley says, the land man told him, "We'll just take it."

Neeley and 23 of his neighbors are the first group of Ohio landowners forced to take part in Utica-shale drilling under a seldom-used state law. The law lets companies add properties to large "drilling units" even if leases with landowners haven't been obtained, to maximize access to deeply buried oil and gas.

Even the state isn't immune from the law. The Chesapeake Energy drilling unit of 959 acres in Portage and Stark counties includes a 4-acre corner of Quail Hollow State Park northeast of Canton. That makes it the first state park in line for "fracking."

Ohio Department of Natural Resources officials say the "unitization" law guarantees fair compensation, and that the properties of unwilling landowners won't be damaged.

"We don't allow the company to occupy any of the surface of the land," said Rick Simmers, the chief of ODNR's Oil and Gas Division.

The law also ensures that no drilling activities, access roads or pipelines will damage the properties, Simmers said.

In a written statement, Chesapeake Energy said the company tries "numerous times" to obtain voluntary agreements from landowners. "Proper use of unitization allows for oil and gas reserves to be developed in the most efficient and fair manner for all owners and minimizes the use of the surface," wrote Keith Fuller, Chesapeake's corporate-development director.

But Neeley described the practice as a type of theft. "It's like (Chesapeake already has) everything sewed up before they even talk to you," he said. "You were just going to lose, no matter what."

Oil and gas companies are offering landowners a bonus of as much as \$5,000 an acre in some areas to sign Utica-shale mineral-rights leases. Many are eager to sign.

Though industry officials insist it's safe, some landowners, including Neeley, fear that fracking threatens their land and water. The process involves injecting millions of gallons of water, sand and chemicals underground to fracture the shale.

Ohio's law lets a drilling company add unwilling landowners' properties to drilling units as long as the company has leased at least 65 percent of the unit's acreage.

Tom Stewart, vice president of the Ohio Oil and Gas Association, said the law is intended to stop a few holdouts from thwarting a majority of landowners who want to legally exploit their oil and gas interests.

Unitization has been used perhaps only once or twice since the 1960s because it involves large drilling areas, which were uncommon until shale-drilling techniques were developed, Stewart said. The law is likely to be used more often now because one shale well's horizontal shaft can stretch a mile or more.

Chesapeake's unit in Portage and Stark counties consists of 146 properties. The 24 unwilling owners account for about 61 of the 959 acres. A Chesapeake application filed with state regulators in November says that, without the holdout properties, the company could collect no more than one-fourth of an estimated \$71 million in oil and gas.

Unwilling landowners will be paid 100 percent of the value of their respective shares of the oil and gas produced from each well. Those payments will start after Chesapeake collects twice the amount of money it spent to drill its first well.

Willing landowners never collect 100 percent. They receive the signing bonus and negotiated royalty payments upwards of 12.5 percent of the value of their specific shares of the oil and gas each well produces.

Stewart said unwilling landowners get full royalty payments because they never agreed to share their mineral rights in the first place. He said the law was originally written to settle differences between two competing oil companies that own mineral rights in an area where only one well is best situated to tap all the buried oil and gas. The company that didn't drill the well, he said, would still get to profit from the oil and gas it paid to lease.

Those rights also transfer to private-property owners who haven't signed a lease.

There is no way to determine whether those who do or don't sign a lease make more money in the long run, because so many factors are involved, including how much oil and gas a well actually produces.

The payments and assurances mean little to Neeley and others who fear that their well water will be polluted.

Tim Muckley thinks he might have more property protections under the unitization law than Chesapeake offered in a lease, but he's concerned about potential risks to his 4 acres near Quail Hollow in Stark County.

"You buy a piece of ground next to a state park for protection," he said.

When it came to Quail Hollow, state officials said they had no options. "State law prohibits the state from exempting its property in unitization requests," ODNR spokesman Carlo LoParo said.

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Caption: Graphic with Map TOM BAKER / DISPATCH Graphic with Map: Unitized properties; Why the unleased properties are needed

Strong interest as Bakken tours begin
Dickinson Press (ND) - Sunday, July 29, 2012
Author: Amy Dalrymple, The Dickinson Press, N.D.

July 29--WILLISTON -- Sylvan Prothero built a vacation around touring North Dakota's oil fields.

The Breckenridge, Minn., area farmer was among about 30 people to participate in the first Bakken Field

Tour on Saturday.

Prothero said his daughter-in-law thought he was crazy for spending the \$325 to go on the tour, but he had been reading about the oil boom and wanted to experience it.

"I just thought I'd like to go out there and see what it's like," Prothero said. "It is amazing."

The series of tours is designed to educate people about oil and gas development in northwest North Dakota, whether they're interested in doing business in the Bakken or just have sheer curiosity.

Saturday's group included real estate developers, private equity investors, representatives from a trucking company and others from around the state and around the country.

Representatives from Alderon Industries of Hawley, Minn., which manufacturers control panels and float switches, attended the tour to learn about opportunities they could pursue in the oil field.

"We didn't really understand the scope of what was going on," said Greg Simon, sales and marketing manager.

The guided tour, which left from Williston and went through Watford City, New Town, Stanley and Tioga, drove by drilling rigs, fracking equipment, gas processing plants, crude loading terminals and new housing developments. It also featured a tour of the Target Logistics crew camp near Tioga.

Participants attended an educational workshop Friday night to lay the foundation for what they saw Saturday.

Chuck Geisen, a real estate developer from Green Bay, Wis., attended the tour even though he's already been working in the Williston area with Landmark Real Estate & Development. Geisen said it expanded his focus and allowed him to network and make new connections.

Memo: --- (c)2012 the Dickinson Press (Dickinson, N.D.)

Fort Worth fracking company is an industry giant, built from the ground up - FTS, begun by brothers about a decade ago, has evolved into one of the largest hydraulic fracturing firms in the country and is pursuing international growth

Fort Worth Star-Telegram (TX) - Sunday, July 29, 2012

Author: Jim Fuquay, jfuquay@star-telegram.com

Barely a decade ago, two brothers in Cisco who had been running a family construction business decided to get into oil and gas. But they had a problem.

Dan and Ferris Wilks couldn't find an oil field service company to perform a hydraulic fracturing job for their small operation. So they decided to start their own fracturing company, Dan Wilks said in an interview last year with Ernst & Young, which gave the brothers an award.

That was in 2000. By 2002, their company, Frac Tech Services, was providing fracturing services to other producers, just as the shale gas boom was beginning. Fracturing involves pumping water, sand and chemicals into formations deep underground at high pressure, breaking up the rock and releasing trapped oil and gas.

"It was timing -- right place, right time," said Chris Robart, principal at Houston-based PacWest Consulting Partners, which follows the fracturing industry.

Today, the company, now named FTS International, has more than \$2 billion in annual revenue and has executive offices in Fort Worth, where it moved last year.

Among its 3,700 employees are about 1,200 in Tarrant and Parker counties. That includes nearly 300 people at its corporate headquarters in downtown Fort Worth at 777 Main St., 105 at a machine shop in

southeast Fort Worth, and about 800 at a manufacturing and maintenance facility in Aledo.

From literally nothing, FTS has become one of the largest hydraulic fracturing companies in the country, with plans to grow internationally.

PacWest estimates that fracking, as it's commonly called, is a \$30 billion industry in the United States.

The Wilks brothers are no longer involved with the company. On May 6, 2011, they sold their 68 percent stake to a group of investors led by Temasek Holdings, Singapore's sovereign wealth fund, in a deal reportedly worth \$3.5 billion.

According to Forbes, the deal gave each brother a net worth of \$1.4 billion

Heavy metal

Fracking is often described as an industrial process, and the equipment certainly looks it.

At two buildings near U.S. 287 and Southeast Loop 820, FTS churns out the big pumps that make up the business end of a frack job.

On the floor of a machine shop, operators of a bank of computer-controlled milling machines carve on a 10,500-pound block of steel. When the process ends some 53 hours later, the company is left with a gleaming, 5,000-pound component that will be bolted onto an even larger pump body. By the time a five-cylinder pump is finished, it weighs about 20,000 pounds and can produce up to 15,000 pounds of pressure per square inch.

The rest of the components in what the industry calls a "fleet" -- a diesel engine and a transmission to link it to the pump, a muffler, a cooling system, and the pipes and fittings to connect it all, as well as the tractor to pull it -- are bought from suppliers. But the pump, given its critical role, is something FTS wants to build itself.

"Our downtime for pumps is almost nothing," said David Capps, operations manager for FTS.

Speed up, slow down

For years, the fracturing industry grew exponentially with the national shale gas boom. By 2006, FTS' revenue had already grown to \$214 million and its net profit to \$82.5 million, according to disclosures filed with the Securities and Exchange Commission last year, when FTS was considering a public stock offering.

Ray Walker, chief operating officer at Fort Worth-based Range Resources, said FTS did more than just ride the shale gas wave.

In early 2007, Range was one of the first producers in the Marcellus Shale in Pennsylvania and West Virginia, which has become a major field. But as the Wilks brothers had found a few years earlier in Texas, fracturing service companies were scarce in the new play.

"When I went to Pennsylvania and was trying to recruit service companies to come up there, Frac Tech was one of the first companies I called, and they came running. It was that entrepreneurial spirit," Walker said. Range today is one of FTS' largest customers.

Revenue more than doubled from 2006 to 2008 before hitting a wall in 2009, when the industry slowed after a sharp decline in natural gas prices that began in mid-2008. That year, FTS lost \$40 million on revenue of \$389 million.

But with producers' move to crude oil, which was still commanding a strong price, FTS resumed its growth, since the same fracturing equipment is used for both oil and gas wells. Revenue tripled in 2010 to

nearly \$1.3 billion and jumped 80 percent more in 2011, to \$2.3 billion. Profits likewise returned, climbing to \$644 million last year.

Now FTS faces another slowdown, this one driven largely by mounting competition but also by a slower pace of drilling. In the first three months of the year, revenue was up 10.7 percent while profit fell by more than half.

The company is staying busy. But fracturing companies are paid for each stage they complete, and they just can't command the same prices as before, CEO Marc Rowland said.

"Revenue in the Haynesville and Eagle Ford has been down as much as 30 to 35 percent per stage. That's just competition -- more equipment and less demand," Rowland said. The Haynesville is a shale gas field mostly in Louisiana, and the Eagle Ford is a shale oil play in South Texas.

Rising costs

And moving into new markets means new expenses.

"There are significant costs associated with moving that much equipment and people," PacWest's Robart said.

"There's no shortage of logistics challenges" with moving tons of equipment and hundreds of workers to a new area, Rowland said. "If you go to Midland-Odessa, you can't get a hotel. You can't get a rental car. You'll see a sign: 'Truck drivers wanted, \$2,500 if you come today.'"

And that assumes there are potential workers in an area, something that's not necessarily true for some newer plays, such as the Bakken oil shale in North Dakota and Montana.

"We fly two or three charter planes out of Fort Worth to Minot, N.D.," Rowland said. "They're on two weeks and off for one. It's much like an offshore operation," he said.

Running that shuttle also lets FTS recruit workers, who know they won't be cooling their heels in an airport and making connections on a commercial flight.

Fracturing companies also have faced cost pressures from an unexpected factor -- what they pay for guar gum, a thickening agent also used in foods and cosmetics. Robart said the price of guar gum, derived from a bean grown mostly in India, roughly tripled this year.

"The volumes required by the oil field stressed the supply chain," Robart said. Fearful of running short, he said, "all the companies went out to get as much as they could," producing the spike in prices that proved to be temporary.

It represented such an expense that Halliburton, the biggest fracturing company, said last week that its spending on the humble bean accounted for a good chunk of its 19 percent decline in operating income in North America in the second quarter.

The wild cards

Looming over the industry is the uncertainty of future regulatory actions amid fears that fracturing can contaminate drinking water.

Rowland said FTS' best course is to "participate with operators" in pursuing favorable legislation and disclosing just how the industry does business.

Rowland has been associated with FTS and Frac Tech since 2006, when he was the chief financial officer of Chesapeake Energy.

Chesapeake acquired a 20 percent stake in the company that year, and Rowland joined its board of directors. He became FTS' CEO in late 2010, when the Wilks brothers first considered going public before selling to the investment group.

"We supported the fracturing-disclosures bill in the Texas Legislature," which required that producers post the volumes of water, sand and chemicals used in each well on line, he said. The online disclosure site, FracFocus.org , is run by an organization of state regulatory boards.

He said FTS is also using labs in Houston and Denver to research more environmentally friendly substitutes for some fracking chemicals.

Another wild card for FTS is its recent move into international markets. It has struck deals to provide fracturing services in the Middle East and Brazil and is working on China. Efforts to enter Argentina ended when the government nationalized FTS' would-be partner, Rowland said.

"My expectation is it will take years to develop," he said. "I can see two or three fleets deployed internationally, but we have 35 domestically, so it won't be a big part of our business anytime soon."

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Fracking can contaminate aquifers
Norman Transcript, The (OK) - Sunday, July 29, 2012
Author: The Norman Transcript

NORMAN – Editor, The Transcript:

Two articles have recently appeared in The Transcript on hydraulic fracking – seemingly reportage under the AP logo, but, more accurately, one-sided puff pieces for the oil and gas industry.

Add Gov. Mary Fallin, who displays questionable judgment by cozying with the proponents of gas production under the assumption that objectives of the industry and the state are one and the same. They are not.

The governor's mission should be to assure the welfare of Oklahoma's citizens, while the goal of the gas industry is to make as much money as possible. It would be ironic if Fallin's legacy were a poisoned aquifer that rendered large areas of Oklahoma uninhabitable.

The process known as fracking , or hydraulic fracturing , forces cocktails of toxic chemicals deep into the ground under high pressure to fracture the rock and release natural gas. Gas developers are eagerly expanding this process over vast areas of America, since fracking is very profitable and has the potential to harvest huge amounts of natural gas as well as diminish U.S. reliance on foreign oil.

Unfortunately, fracking can release noxious gases and permanently contaminate aquifers with toxins, carcinogens, high levels of salt and radioactivity. There may also be dangerous, geological consequences such as the swarms of earthquakes that have struck Arkansas.

There are incidences of mysterious illnesses, burning tap water, sickening smells, blowouts and exploding water wells and houses. (An Internet search is startling). Though natural gas is valuable, water is ever more precious, and once the earth is fracked, damage is irreversible.

Fracking is so alarming that David Letterman recently interrupted his normal humorous presentation with a heartfelt warning to the nation, concluding with a vehement, "Ladies and gentlemen, we're screwed!" (See YouTube).

The governor of New York has banned some hydraulic fracturing pending investigation, and the increase of horror stories associated with the process has finally driven the EPA to investigate.

Rather than welcome an objective analysis of the process out of concern for our drinking water and agriculture, Gov. Fallin treats the EPA as an enemy rather than an ally. Jim Inhofe, the “global warming is a hoax” senator (and the oil and gas industry’s leading campaign finance recipient), is throwing up further roadblocks to EPA investigation.

Our future should lie with clean, renewable energy. Oklahoma is ideally positioned to capitalize on wind and sun. OU has taken exemplary steps in adopting wind-generated power, and Oklahoma could be at the forefront of safe, renewable energy by stimulating green research and adopting effective incentives.

Sadly, swayed by industry contributions, our governor and legislators ignore the potential of renewable energy and the consequences of poisoned aquifers.

How do gas developers so readily dismiss the dangers of fracking ? Because they were able to squelch regulation by the EPA, bending the arm of the George W. Bush administration to incorporate an exemption from the Safe Drinking Water Act as part of the 2005 Energy Policy Act.

They also have been able to exempt fracking from other regulation designed to protect our air, water and health. It is hardly surprising that the industry objects to oversight, or even identifying the chemical brews they employ, offering the same assurances of safety and technological competence as deepwater drillers and the nuclear power industry.

Pride goeth before destruction, and a haughty spirit before a fall.

CORSON HIRSCHFELD Norman

Big Oil and Gas industry writing down billions in U.S. shale gas assets

Philadelphia Examiner (PA) - Sunday, July 29, 2012

On Friday shale gas driller Encana Corporation, the largest natural gas company of Canada announced it had written down more than \$1.7 billion in shale gas assets on its books, the majority from its U.S. shale gas operations as it posted its ominous 2nd quarter operating results. Encana Chief Executive Officer Randy Eresman went on record saying to expect his company to have to take additional shale gas asset write downs in the near future. Such asset impairment write downs directly affect the industry’s operating credit lines as reduced value assets on their books results in financial lenders lending the companies less cash going forward.

Encana Corporation is also the focus of a U.S. Department of Justice price collusion investigation regarding the allegation it has conspired with Chesapeake Energy to fix prices for shale gas land lease agreements with state of Michigan landowners. The investigation is ongoing.

Other shale gas development companies also wrote down major assets as continued shale gas industry aggressive claims meet the realities of the tough economics the industry never fully anticipated.

English based BG Group decreased the value of its U.S. shale gas operations by \$1.3 billion also this past Friday to reflect a weaken outlook for U.S natural gas prices. Exco Resources Inc. of Texas reported a \$276 million write down on its assets. Meanwhile Australian based shale gas driller BHP is embroiled in a decision to write down its U.S. shale gas operations by an estimated \$US2.5 billion on the shale gas assets it acquired just last year from Chesapeake Energy for \$US4.75 billion, more than half what it paid to Chesapeake Energy.

The popular view is the main culprit is the ongoing price of today’s U.S. price for natural gas of \$3.08 per million British Thermal Units (MBTU), a price which dipped as low as \$1.90 per MBTU back in April of this year. When the shale drilling boom began, the drillers proclaimed aggressive values for the gas held in ground as calculated in land lease agreements with landowners. Back in early 2008, the price of natural gas at the U.S. Henry Hub was being priced at more than \$15.00 per MBTU. As the drilling boom took off unabated and natural gas began appearing into storage, the price the market was willing to pay for it declined month by month.

This was perhaps the best true “free market” signal to the industry which it continued to ignore until market prices all but collapsed.

Left out of such supply discussions are what appears to be the significantly higher extraction costs for shale gas when compared to conventional drilling into large pockets of natural gas. The costs for the armies of men, machines, water tankers, pumpers and frack operations along with all the diesel fuel required to drive all this heavy metal in and out of the hills and mountains of Pennsylvania day in and day out has been quietly taking its toll in the form of high extraction costs. Pennsylvania Marcellus’ deeper drilling depths compared to Ohio and New York State play yet another significant cost factor.

The unavoidable hit or miss process of exploration resulting in dry or unproductive wells is significant when individual wells cost between \$3.5 million to \$5 million from the industry’s own public releases. Encana for example hit a number of dry wells in Pennsylvania’s Marcellus before it pulled back. Frack water tailing pond construction and related disposals costs are significant and in constant need to maintain the integrity of such ponds while trucking out the toxic frack water for disposal.

As lenders tighten up cash lending, all of these factors take on new and more challenging dimensions.

Perhaps the most baffling issue which receives little public attention remains the strange and unusual production output curves of a typical shale gas well. It’s now been extensively documented shale gas wells produce their greatest output of gas product within their first 12 to 24 months of operation and then begin rapidly and aggressively declining. As the industry attempts to decrease extraction costs by drilling more wells closer together and to drill them faster, it appears more gas is inadvertently put on the market than it can absorb.

In the 1980s, the term, “Drilling to exhaustion” first appeared when describing the industry penchant for more drilling in face of whatever ails it.

Many claim the answer lies in higher natural gas prices. More now believe it’s to mandate the use of natural gas by electric utilities and for U.S. industrial transportation in order to drive demand and raise natural gas pricing even though the industry’s central promise to the country was cheap and abundant natural gas through hydraulic fracking .

Senior U.S. electric utility executives remain wary of the natural gas industry and its long history of volatile pricing. Many in the electric utility industry refer to natural gas as the ‘crack cocaine of the power industry’. According to leaked industry emails as published by The New York Times, one energy company official stated this fear when he said, “They get you hooked and then they raise the price.” Investment in a natural gas based transportation structure is going to take billions of dollars to deploy.

The shale gas industry continues to reel under the unrelenting economic realities of today’s price for natural gas from their own self-inflicted mad rush to get as much shale gas out of the ground as possible over the last 5 years. Now this is resulting in major shale gas asset write offs. Incredibly some here in Pennsylvania now believe the answers lie in yet more taxpayer dollars to drive demand under Senator Bob Casey’s “STATE Natural Gas Act” to mandate more use of natural gas while Gov. Corbett vows to fight on for PA ACT 13 provisions to strip local townships of their ability to enact zoning restrictions against shale gas drilling in their local municipalities.

Disclaimer: The writer holds no U.S. securities in any shale gas company nor is he a member of any environmental group or anti- fracking group. He holds no financial arrangements with any of the entities and/or individuals listed in the article. He is not being paid to write by any shale gas industry group, pro or con.

To see Encana's 2Q financials, go to: <http://www.encana.com/>

To learn more about Pennsylvania's ACT 13 legislation, go to:
http://www.portal.state.pa.us/portal/server.pt/community/act_13/20789

Untapped resource: natural gas in Berks

Reading Eagle (PA) - Sunday, July 29, 2012

Author: Mary Young, Reading Eagle, Pa.

July 29--A local role in the state's natural gas drilling boom isn't quite as far-fetched as it was a month ago, now that a federal report has identified some potential for an untapped supply beneath southern Berks County.

The natural gas in question is contained in the South Newark Basin. Its western tip lies under a triangular wedge of Berks that includes Douglassville, Birdsboro and Exeter Township, according to the report issued in June by the U.S. Geological Survey.

USGS estimated that 785 billion cubic feet of recoverable natural gas could be in the basin.

But several factors make drilling in Berks appear to be a long shot.

The gas-containing part of the basin below Berks is probably thin, according to USGS research geologist James Coleman. Moratoriums on drilling in the basin are already in place.

And, the Marcellus shale formation already being drilled in Pennsylvania and other states holds far more gas than South Newark. A recent government estimate put recoverable Marcellus gas reserves at 141 trillion cubic feet.

'So much potential elsewhere'

Dan Weaver, a spokesman for the Pennsylvania Independent Oil & Gas Association, called the South Newark Basin a nonissue.

"There is so much potential elsewhere," he said.

The amount of gas projected for the South Newark makes exploration and development unlikely anytime soon, said Patrick Henderson, energy executive for Gov. Tom Corbett's administration.

"I don't think there will be a big push," he said.

Henderson said the basin has one factor in its favor: location. It is closer to big cities on the East Coast than the Marcellus region.

"Any time you can have a resource located in close proximity to the users, economically, it's an asset," Henderson said.

Possible impact on Berks

Nonetheless, people need to stay informed about what's happening in the basin because what happens in other counties can affect Berks, county planner Shannon L. Rossman said.

Whether drilling in the basin is practical, the gas industry isn't going to reveal its plans, said Rossman, who specializes in intergovernmental issues.

Companies spend millions of dollars on exploration and development and don't want competitors to have access to their findings, she said.

"This is in the preliminary stages," Rossman said. "We're going to have to wait and see."

No matter how slim the possibility that gas would be drilled in Berks, residents should know about what's happening because moratoriums can be lifted and drilling technology is likely to improve, she said.

The planning commission will try to provide people with information as it develops, Rossman said.

In recent years, thousands of wells have been drilled into the Marcellus formation and put into production using new technologies and techniques. A key part of the process is a water- and chemical-intensive method for breaking apart the shale called hydraulic fracturing , or fracking .

Karen Feridun, a Kutztown resident and founder of Berks Gas Truth, an anti- fracking organization, said water contamination or depletion of the water supply is possible, if drilling occurs in neighboring counties.

Water used in the fracking process often is taken outside the drilling area to be treated and disposed of properly because it contains chemicals used in fracking , she said.

And no matter where natural gas is drilled, it has to be transported somewhere, so it's not difficult to imagine that pipelines and compressing stations needed to force the gas through the pipes could be in Berks County's future, Feridun said.

"Right now, we're spared the worst of it," she said. "Surely, they're working on the technology now. Some areas will be made more viable down the road.

"I don't doubt at all that at some point they're coming here."

County has ties to gas boom

Regardless of whether drilling happens in Berks, the county already is linked to the Pennsylvania gas boom.

Mark Mara, director of plant operations and construction for UGI Energy Services, said more of the natural gas flowing through the Texas Eastern pipeline that cuts through the county originates in the Marcellus shale region.

UGI will tap the pipeline to fill its massive, new liquefied natural gas storage tank in Ontelaunee Township. A federal agency is expected to issue final operations approval for the recently finished, 155-foot tank in August. It cost more than \$100 million.

Mara said that if the South Newark Basin ever produces gas, some of it will probably wind up in the Ontelaunee tank.

Currently, moratoriums prevent drilling in the South Newark.

One is imposed by the Delaware River Basin Commission, a multistate agency that oversees water use issues. It has not issued final regulations on natural gas drilling within its jurisdiction.

Kate O'Hara, a spokeswoman for the New Jersey-based commission, said those regulations are not likely to come about this year.

The other was approved by state legislators as a last-minute amendment to the recent budget bill.

Contact Mary Young: 610-478-6292 or myoung@readingeagle.com.

Memo: --- (c)2012 the Reading Eagle (Reading, Pa.)

Fracking rules being planned could increase transparency

Bakersfield Californian, The (CA) - Sunday, July 29, 2012

Author: JOHN COX Californian staff writer jcox@bakersfield.com

The near future of oil field fracking in Kern County is shaping up to look a lot like it has in the past, with one notable exception: Outsiders will probably get a much clearer view of what's going on.

This scenario, based on comments made last week by a senior state regulator working on new rules and discussions surrounding a bill pending in Sacramento, suggests local oil companies will get to continue fracking for oil much as they have for decades.

The key difference is oil companies may soon be forced to share where and when they employ the controversial technique also known as hydraulic fracturing , as well as how much water is consumed in the process. Some say the release and analysis of that information could lead to additional regulation down the line.

Supporters say this dual approach -- status quo in the oil fields together with a new public window into previously obscure activities -- would strike a balance between the industry's need for a straightforward review process and environmentalists' push for greater disclosure and an end to what they see as hands-off regulation by the state, if not an outright ban of the practice.

All of this has important economic implications in the capital of West Coast oil production. Fracking is fairly routine here and, many believe, due for a significant increase as the industry prepares to tap the Monterey Shale, a huge, previously undiscovered reservoir running through much of the southern Central Valley.

Fracking injects sand, large amounts of water and small concentrations of sometimes toxic chemicals deep underground to break up rock formations so that oil and gas deposits can be reached more easily. Despite worries that it has the potential to contaminate groundwater and cause seismic activity, the technology has unlocked vast, previously unreachable natural gas deposits in the East Coast, the Midwest and the South.

The situation is somewhat unique in California, where fracking is used mainly to produce oil. A leading trade group says the technique was used at least 628 times in the state last year, and that no groundwater contamination has occurred.

Environmentalists and state lawmakers have recently pressured state oil regulators to come up with rules specific to fracking . Currently, rules governing fracking in California mainly deal with general well construction standards.

New rules, same approach?

For now, officials with the state Division of Oil, Gas and Geothermal Resources appear content to codify but not substantially alter existing practices they say already protect underground sources of drinking water and oil deposits.

The idea is that DOGGR will continue to focus on what it calls "zonal isolation." This approach, which the agency applies not only to fracking regulation but also disposal of wastewater and other oil field substances, centers on using cement and heavy mud at strategic points during well construction to keep petroleum from leaking out and contaminating groundwater.

These rules aren't limited to well construction; they also touch on well testing and how far apart wells must be drilled to reduce chances that fracking -related ruptures become conduits for petroleum to "migrate" into a neighboring well.

At a daylong fracking symposium Tuesday in Long Beach, DOGGR's chief deputy, Rob Habel, told a group of mostly hydrogeologists and other water professionals that ensuring zonal isolation is more important to regulators than knowing what chemicals are contained in fracking fluids injected underground.

"Our main intent is going to be making sure that (fracking fluids are) confined to the zones," he said.

Habel added that the issue of how to regulate fracking has been a controversial topic in a recent series of listening sessions intended to gather comment for new rules coming as soon as next year. He said the

industry has criticized potential new reviews as "draconian" even as environmentalists call them insufficient.

"We're going to have to do a balancing act to meet everyone's comments and concerns," he said.

DOGGR's former top regulator in Bakersfield, Randy Adams, asserted that any new rules focused on zonal isolation would amount to a continuation of existing policy.

A more significant development, Adams said, will likely be greater disclosure of fracking details.

"What will change is the tracking mechanism (to show) what's being fracked and where," he said.

Regulation disclosure

While Adams and others suspect DOGGR will require such data in its new rules (the agency recently asked oil field operators to volunteer that information), one state lawmaker is working to mandate fracking disclosure on the legislative side.

AB 591, a bill proposed by Assemblyman Bob Wieckowski, D-Fremont, would force oil companies to divulge fracking details including where and when they frack and how much water is used in the process.

Speaking at Tuesday's symposium, the assemblyman said the bill reflects his efforts to reach out and balance environmentalists' skepticism of fracking with the industry's needs.

"I don't want to shut down all oil production in the state of California. The people in Kern County would have a heart attack," he told a lunchtime audience of about 100.

He added that the bill would represent a "baby step" and that further regulation of fracking could come later.

Industry spokesman Rock Zierman, CEO of the California Independent Petroleum Association, said he supports the kind of disclosure contained in Wieckowski's bill, and he expressed confidence that the legislation would soon become law.

Giving the public more information about fracking helps prove the industry's contention that the practice is not dangerous, Zierman said.

He emphasized that fracking has been integral to Kern County's economic well-being.

"Before we go and hurt that in any way, we'd better be sure that there is a problem" with fracking, he said. "And that hasn't been demonstrated."

Wisconsin fracking sand sites double in past year - BLAIR, Wis. — Tucked behind a hill in rural Trempealeau County, farmland undergoes an industrial transformation .

Duluth News Tribune (MN) - Sunday, July 29, 2012

Author: Kate Prengaman, Wisconsin Center for Investigative Journalism

BLAIR, Wis. — Tucked behind a hill in rural Trempealeau County, farmland undergoes an industrial transformation.

Outside this city of 1,300, Preferred Sands turns Wisconsin's sandy soil into a hot commodity. A wall of green trees opens to a vast expanse of sand buzzing with activity. Excavators mine and conveyors carry the sand from towering stockpiles up into the processing plant. Every week, this facility ships 7,500 tons of sand by rail to oil and gas fields in Texas, North Dakota and Pennsylvania.

This 400-acre mine and processing facility is one of 20 such operations that have sprung up in the past two years in Trempealeau County. The mines and processing plants produce strong, fine-grained sand in

high demand for a type of oil and natural gas drilling known as hydraulic fracturing , or fracking .

The number of Wisconsin frac sand mining operations has more than doubled in the past year, the Wisconsin Center for Investigative Journalism found, and the state leads the nation in production.

“We have the best sand in the world,” said Tom Woletz, the frac sand specialist at the Wisconsin Department of Natural Resources. “And we have a lot of sand.”

A year ago, the center identified 41 mines operating or proposed in the state. This summer, 87 are operating or under construction, with another 20 facilities in the proposal stage.

“Our office has turned into a zoo,” said Kevin Lien, director of land management for Trempealeau County. “We have seven applications for mining permits in July. Everyone here is engulfed in mining. It’s a huge workload for us.”

Frac sand fever has hit much of west-central Wisconsin, catching residents and local governments by surprise. Permit applications have come in faster than residents or officials can process them – or the implications for their communities.

Selling all the sand?

The frac sand boom has divided residents into those who believe mining will create sorely needed jobs in rural Wisconsin and those who fear the impacts these mines may have on human health, road safety and the environment.

Some communities have readily welcomed frac sand mining for economic reasons. Others, including Buffalo, Dunn, Eau Claire and Pepin counties and a handful of towns, slapped on temporary moratoriums to give them time to review and update their land-use regulations.

The demand for sand has soared in tandem with the explosion in controversial hydraulic fracturing operations across the country. The sand is used to prop open fractures in the bedrock, allowing oil or natural gas to flow past.

Frac sand production has increased seven-fold in the past decade, according to the United States Geological Survey. Thomas Dolley, a mineral commodity specialist at the USGS, said he can’t divulge state-specific numbers, but he confirmed that Wisconsin is currently the largest producer of frac sand.

“It’s like a land rush for this material,” Dolley said. “I’ve been covering this commodity for 11 years, and I’ve never seen anything like this.”

But Bruce Brown, senior geologist with the Wisconsin Geological Survey, agrees with other state officials that Wisconsin may be reaching the peak of the frac sand boom.

“I think it’s going to slow down,” Brown said. “People worry that we’re going to sell out all of the sand in Wisconsin. That’s not going to happen.”

The center found that about one-third of Wisconsin’s frac sand operations are in towns with no zoning regulations. In those areas, the only control local officials have is through the reclamation permit, which primarily deals with how the site will be returned to a productive land use, like agriculture or a park, after mining is complete.

“If you don’t have zoning, it makes it very difficult to say no,” said Dan Masterpole, the conservationist for Chippewa County, where frac sand facilities are located primarily in unzoned towns. “We have no authority to regulate where (mining) should occur, operations, noise, air, dust or any of those types of nuisance-related impacts.”

The DNR handles air and water regulations for all sites, zoned or not. Large mines and processing

facilities must meet state air pollution limits for airborne particles, in part to reduce exposure to silica dust, a substance that can cause silicosis, a life-threatening lung disease. While silica exposure in the workplace is tightly regulated, there are no specific limits for silica dust in the open air.

The lure of jobs

In January, the state Department of Natural Resources decided that no additional regulations are needed. Since then there have been two damaging sand spills, both in May, caused in part by failure to follow existing state rules.

At a Burnett County mine, a leak in a new storage pond poured silty water into the St. Croix River for days until a hiker noticed the problem. Shortly after Preferred Sands bought the mine in Blair from a Canadian company, a wet stockpile of sediment slipped and flooded a

neighboring home.

"We've had a huge amount of change since we had that spill," said Todd Murchison, the regional manager for Minnesota-based Preferred Sands. "Every day, we have to leave everything so that it will be safe in case it rains two inches overnight.

"We need this stuff; we need natural gas. We need energy independence, in my opinion. I think that the key is we're going to do it, but let's do it right," he said. In Gilmanton, a town of fewer than 500 people in Buffalo County, many lawns sport bright green signs proclaiming "Sand = Jobs." About half the residents in attendance at a public hearing in June wore bright green shirts with the same slogan, provided by Glacier Sands, a mine operator applying for permits.

Company co-owner Ryan Thomas said he plans to hire about 100 employees plus local contractors for electrical, welding and other services for the four mining, processing and loading sites his Menomonie-based company is planning for Buffalo County.

For many residents, the promise of new jobs and new industry trumps all other concerns. Others worry about how mining could change west-central Wisconsin.

Mike O'Connor, a Buffalo County resident, attended many meetings in the past year to voice his concerns about the frac sand industry, including increased heavy truck traffic on winding local roads.

"Many of us are here for Aldo Leopold's sand country," O'Connor said, referring to the famous Wisconsin environmentalist. "This is a really spectacular piece of the world, so to have it ripped apart is kind of emotional.

"But there is a pretty compelling story on the other side. It's a very ambiguous issue, which makes it emotionally very difficult."

The nonprofit Wisconsin Center for Investigative Journalism (www.WisconsinWatch.org) collaborates with Wisconsin Public Radio, Wisconsin Public Television, other news media and the University of Wisconsin-Madison School of Journalism and Mass Communication. All work created, published, posted or disseminated by the center do not necessarily reflect the views or opinions of UW-Madison or any of its affiliates.

Caption: The Preferred Sands mine and processing plant near Blair, Wis., spans 400 acres. The facility is among 107 existing or proposed frac sand-mining operations in Wisconsin. (Lukas Keapproth / Wisconsin Center for Investigative Journalism)

FRACKERS FOLLOW TOBACCO'S LEAD IN FUNDING RESEARCH INDUSTRY TRYING TO BUY PRESTIGE OF UNIVERSITIES, WHILE TIES GO UNREPORTED

Pittsburgh Post-Gazette (PA) - Sunday, July 29, 2012

Author: Jim Efstathiou Jr., Bloomberg News

Pennsylvania remains the largest state without a tax on natural gas production, thanks in part to a study

released under the banner of Penn State University.

The 2009 report predicted drillers would shun Pennsylvania if new taxes were imposed, and lawmakers cited it the following year when they rejected a 5 percent tax proposed by then-Gov. Ed Rendell.

"As an advocacy tool, it worked," Michael Wood, research director with the nonprofit Pennsylvania Budget and Policy Center in Harrisburg, said in an interview. "If people wanted to find a reason to vote against having the industry taxed in that way, that gave them reason to do it."

What the study didn't do was note that it was sponsored by gas drillers and led by an economist, now at the University of Wyoming, with a history of producing industry-friendly research on economic and energy issues. The researcher, Tim Considine, said his analysis was sound and not biased by industry funding.

As the United States enjoys a natural-gas boom from a process called hydraulic fracturing , or fracking , producers are taking a page from the tobacco industry playbook: funding research at established universities that arrives at conclusions that counter concerns raised by critics.

Cary Nelson, president of the American Association of University Professors, who made the tobacco analogy, said companies and their trade associations are "buying the prestige" of universities that are sometimes not transparent about funding nor vigilant enough to prevent financial interests from shaping research findings.

The Penn State report is not the only example.

A professor at the University of Texas at Austin led a February study that found no evidence of groundwater contamination from fracking . He did not reveal that he is a member of the board of a gas producer. Company filings examined by Bloomberg indicate that in 2011, he received more than \$400,000 in compensation from the company, which has fracking operations in Texas.

A May report on shale gas from the State University of New York at Buffalo contained errors and did not acknowledge "extensive ties" by its authors to the gas industry, according to a watchdog group. One of the authors was Mr. Considine, the same economist who wrote the Penn State study.

"It's a growing problem across academia," Mark Partridge, a professor of rural-urban policy at Ohio State University, said. "Universities are so short of money, professors are under a lot of pressure to raise research funding in any manner possible."

In 2008, private sources provided about 6 percent of all academic research funding, according to a June report from the Washington-based AAUP. The figure excludes gifts, endowments for new faculty appointments, consulting or speaking fees, honoraria, seats on company boards, commercial licensing revenue, or equity in startups.

Controversy has followed when research too closely supports a corporate agenda. Litigation against tobacco companies helped reveal a decades-long effort that relied on academic research to suppress the dangers of smoking. Today, schools of public health at Columbia University, Harvard, Johns Hopkins and others ban tobacco funding, according to the association's report.

More recently, the 2010 documentary film "Inside Job," reported that the financial-services industry paid university economists to testify in Congress and in antitrust cases, serve on boards of directors, and give speeches to the companies and industries they study, without disclosing the inherent conflicts of interest.

As questions have arisen about the environmental and economic implications of fracking , the same pattern is appearing.

Fracking , in which millions of gallons of chemically treated water and sand are forced underground to break shale rock and free trapped gas, has lowered energy prices, created jobs, and enhanced national security, according to a task force formed by President Barack Obama's Energy Secretary Steven Chu. It

Critics say the benefits may not outweigh the environmental and health risks. Fracking has been linked to groundwater contamination in Pennsylvania, high ozone levels in Wyoming and to headaches, sore throats and difficulty breathing for people living close to wells in Colorado. Burying wastewater from drilling has been linked to earthquakes in Ohio, Arkansas and other states.

In 2009, with drilling interest on the rise in Pennsylvania's share of the Marcellus, Mr. Rendell proposed a severance tax similar to one in West Virginia -- a 5 percent levy on the value of gas produced plus 4.7 cents for every 1,000 cubic feet. The tax would have generated about \$100 million in its first year. Opponents cited the Penn State study, which found that drilling would decline by more than 30 percent under the tax. Mr. Considine, a former professor of energy and environmental economics at Penn State's College of Earth and Mineral Sciences, was the lead author.

The study drew complaints prompting William Easterling, dean of Penn State's College of Earth and Mineral Sciences, to investigate.

An Aug. 5 version identified the sponsor, Marcellus Shale Coalition, which provided a grant of about \$100,000. News reports referred to the work as a Penn State study.

Caption: PHOTO 1 PHOTO: Spencer Platt/Getty Images The impact of hydraulic fracturing for natural gas is still relatively unknown. It doesn't help when new studies are cited based on research friendly to the industry.

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North Dakota has bright future thanks to Bakken Shale

Wichita Falls Times Record News (TX) - Sunday, July 29, 2012

The production of crude oil in North Dakota, Montana and Canada from the Bakken Shale is creating an economic boom that has helped the area buck the national economic slump by creating new jobs and additional tax revenues.

North Dakota has the lowest unemployment rate and fastest growing economy in the nation.

Its oil production averaged over 460,000 barrels per day (bbl/d) in September 2011, more than 4½ times its September 2005 level, according to the Energy Information Administration. Although the state's oil production growth slowed during the first few months of 2011, more favorable weather conditions helped operators significantly boost output in June, July, August and September. North Dakota only trails Texas and Alaska among oilproducing states.

Harold Hamm, chairman and CEO of Continental Resources in Oklahoma City, recently wrote a column about Continental's involvement in the development of the oil and gas resources in the Bakken.

"As the oil industry completes its infrastructure design phase and enters its full development phase in 2012 and 2013, there's good news for residents, officials and community leaders in the oil communities experiencing this remarkable growth," Hamm said.

Hamm noted that nearly all of the infrastructure needed to develop the Bakken will be in place soon, and western North Dakota is settling into a period of steady growth.

"We appreciate North Dakotans' cooperation and patience in tackling the challenge of infrastructure in the Bakken," he said. "Now that the area of the oil field is defined, the objective going forward is to optimize production and improve efficiency over the lifespan of the field, which is projected to be longer than 30 years."

So while North Dakota will continue to benefit from the Bakken for many years to come, the need for new oil field infrastructure and workers is leveling off, Hamm noted. And with the Bakken field being well defined, development will be limited to the western third of the state in primarily rural areas.

One of the great blessings of the Bakken is that it is being developed with modern technology.

"Horizontal drilling and Continental Resources' EcoPad technology enable us to drill several wells from just one drilling pad, significantly reducing our footprint in the field," he said.

"Yes, there will be thousands of new wells drilled in the Bakken, but that drilling activity will be spread out over the next 30 years using the most efficient and ecologically sound technology available," he continued.

Additionally, the oil and gas industry is building permanent employee housing and installing new oil, gas and water lines this summer and beyond to reduce truck traffic on the roads.

"Through oil and gas taxes, the industry also is responsible for \$1 out of every \$4 of state revenue," Hamm noted. "Due to the dramatic increase in tax revenues, North Dakota is making unprecedented investments in infrastructure in this region. Last year, the legislature approved \$1 billion in improvements, including the expansion of highways, water treatment plants and sewer lines in oil- and gas-producing counties."

Continental Resources is committed to the Bakken and to "Doing it Right."

"I believe the best of the Bakken for North Dakota is yet to come. It's going to be a bright future in the

Peace Garden State," Hamm said.

Alex Mills is President of the Texas Alliance of Energy Producers. The opinions expressed are solely of the author.

Caption: ALEX MILLS OIL & GAS

Fracking opinions split on party lines

Daily Star, The (Oneonta, NY) - Saturday, July 28, 2012

Author: Joe Mahoney, Staff Writer

COOPERSTOWN -- Democrats are far more apt to believe that hydraulic fracturing for shale gas will cause environmental damage than Republicans, according to a new poll of New York voters.

The Quinnipiac University poll, released Thursday, found that 63 percent of Democrats think fracking will damage the environment, while only 31 percent of Republicans share that belief.

Among voters with no party affiliation, 55 percent said they believe shale gas drilling will harm the environment, Quinnipiac found.

The survey also found a marked partisan split on whether New Yorkers support the natural gas extraction technique, which could be permitted by the Cuomo administration as early as this year.

Among Republicans, 66 percent said they supported drilling, while only 32 percent of Democrats said they backed it.

However, in overwhelming numbers, members of both parties agreed that gas drilling would create jobs, with 89 percent of Republicans and 72 percent of Democrats forecasting that impact.

Otsego 2000 Director Ellen Pope said she thought the wording of the poll question dealing with the job-creating potential of drilling was loaded because it did not indicate that the activity could harm sectors of the economy such as tourism and agriculture.

"Any economic benefits (from drilling) are highly disputed," she said.

She said as the public learns more information about what she called the negative impacts of drilling, fewer people end up supporting it.

Dave Parker, a Worcester town board member and a Republican, said the fact that his fellow party members are generally supportive of gas drilling "reflects on the basic ideology of conservatism and thoroughly thinking out a problem as opposed to relying on emotion. It's logic versus emotion."

Parker said he recently visited a Pennsylvania region with active drilling activity and saw no impact on tourism or recreation from it.

"All the bait shops were open and the kayak rental places were thriving," he said.

The pollsters said the results were based on responses from 1,779 voters, with a margin of error of plus/minus 2.3 percentage points.

The same survey found New York voters strongly oppose a pay increase for state senators and Assembly members. Eighty percent said they objected to a pay hike for lawmakers and just 16 percent favored giving them a raise.

Johnson County experiences another earthquake

Dallas Examiner (TX) - Saturday, July 28, 2012

Many residents in Johnson County was awoken once again by a shaking sensation this morning around 2:30 a.m.

US Geological Society confirmed an earthquake of a 2.2 magnitude and a 4.9 depth at 2:32 a.m. on Saturday, July 28, 2012 just E of Cleburn, 13 miles SSW of Burleson, 15 miles S of Crowley and 16 miles SSW of Rendon, TX.

This makes eleven quakes since the series of tremors began on June 5, 2012.

To date the earthquakes have been small, only proving to be a minor nuisance.

None of the quakes in the Dallas-Fort Worth area in 2012 have gone above 4.0 on the Richter scale, which is typically the level seismologists look at for damage. The largest quake recorded thus far was 3.6, which occurred on June 24.

After a series of small quakes in 2008 and 2009, scientists at Southern Methodist University and the University of Texas at Austin looked at possible links between deep injection wells, used to dispose of wastewater from hydraulic fracturing , or “ fracking ” and the earthquakes. They specifically looked at two injection wells in the area that were built in 2008. Scientist from both Universities came to the conclusion that the correlations are consistent with an induced or triggered source.

If you experienced the quake this morning, please share your experience with us.

Authorities have not received any reports of injuries or damages at this time.

Doctor challenges 'gag rule'

Patriot-News, The (Harrisburg, PA) - Saturday, July 28, 2012

HARRISBURG | A Luzerne County doctor has challenged Pennsylvania's recently passed natural gas law in federal court, claiming its "gag rule" for doctors treating patients affected by fracking fluid violates his First and 14th amendment rights.

Dr. Alfonso Rodriguez is a physician and president of the Gas Drilling Awareness Coalition.

His lawsuit against Environmental Protection Secretary Michael Krancer, Public Utility Commission Chairman Robert Powelson and Attorney General Linda Kelley claims that Act 13 of 2012 imposes an unconstitutional "media gag rule" on him and other doctors who, when treating patients exposed to fracking fluids, would be required to sign confidentiality agreements with gas companies before being able to know the chemical components the patients have been exposed to.

BACKGROUND: Rodriguez claims the law abridges his freedom to communicate with his "patients, colleagues, medical researchers and the public regarding the identity and amount of chemicals, and the health hazards they present to the community." - Donald Gilliland, dgilliland@patriot-news.com.

Towards a more realistic baseline for sound actions on Fracking

Rochester Examiner (NY) - Saturday, July 28, 2012

As the deadline for lifting the New York State moratorium on Fracking (horizontal Hydraulic fracturing) looms, the news, rallies, and articles are getting more strident. There's a hullabaloo over a recent study on Fracking that has critics questioning the motives of the study Local watchdog group blasts Texas university fracking study - The Buffalo News and there's criticism on the other side that the anti- fracking groups are cherry-picking the science to push their agenda Some experts fault fracking critics' science. Bringing everything to a fevered pitch is the Stop the Frack Attack rally this weekend at the capital: Fracking protesters to storm national Capitol Saturday - MPNnow

Hard to imagine that anyone in New York State doesn't know about the Fracking controversy by now, but I suppose there are. And, I'll bet there are many who still don't care. As long as the quiet majority in our state think they might get a job, free our energy security from other nations, get a windfall by signing a lease on their property for drilling rights, or not get sidetracked from the fun stuff they're doing by this issue, they will remain mum. As our species tends to do, far too many will sit back and think this environmental issue has nothing to do with them.

One person at least who isn't remaining quiet is NYS Senator Avella-- , Ranking Minority Member, Standing Committee on Environmental Conservation. Hold on to your hat and listen to Senator Avella speak about Fracking on this 11 minute video: Sen. Avella on Fracking Forum.

Regardless of where you stand on this issue, it does threaten to be the biggest environmental story in our state since Love Canal. If Fracking comes there will be change, which brings up many questions. Are local moratoriums, like the one just passed in Rochester, NY, going to hold or will Home Rule be gutted by the gas industry, making us second class citizens in our own state? (In Pennsylvania, their weaker home rule law was upheld: Court Rejects a Ban on Local Fracking Limits - NYTimes.com) Is the New York State Department of Conservation going to have enough employees to monitor the new Fracking wells: Regulation: How many wells per inspector? In some states, answer is elusive -- 07/25/2012 -- www.eenews.net.

But the question that all of us, no matter where we stand on this issue, should be asking is whether we have a realistic baseline for sound actions on Fracking at all? In other words, do we know the state of our water and our public health well enough so that when there is a drilling accident, we'll be able to identify damage due to gas drilling? One group is not waiting for the state to chase their tails over this issue and is on it:

Over the last 10 millennia, as humans developed agriculture, burned forests, killed top predators, or decimated and brought to extinction many other species, it never occurred to our brainy species to assess whether or not our actions would irrevocably change our environment—maybe even cause it to collapse. Now, in the twenty-first century, we are supposedly smart enough to do that before we chase headlong into some fantastic venture. Our scientific discoveries for the last hundred years have given us a great wealth of knowledge about our environment and revealed many of the repercussions of our actions on our environment. For example, our agricultural practices contributed to the greatest man-made environmental disaster to date on this continent, the Dust Bowl of the 1930's.

What's the point of finding all that out, educating all those environmental experts, if we aren't going to use that knowledge before we do something crazy—instead of after? There is no getting around this fact: we can and do change our environment, our climate, our water quality, and much, much more—and usually not in a good way.

Here's a great quote by Steve Nicholls, author of *Paradise Found - Nature in America at the Time of Discovery*:

It's worth pausing and thinking about this statement before we rush off and radically change our New York State environment with Fracking . Do we know the state of our environment well enough before we start Fracking , or are we so blinded by our immediate wants that we'll continue to act the way we have in the past?

Too often we evaluate the impact of our solutions for on the shifting baseline of our own experiences, our religious views, whatever constitutes conventional wisdom at any given time, our prejudices, on the lack of research, and our notion of economics—which by the way has always treated our environment as an externality, a magical resources generator and our collective toilet. We've been irresponsible stewards of our environment for a long time and much of it is due to an economic theory that is oblivious to Nature. Why not start thinking about our environment (our very life support system) as an intelligent species would do—look before you leap.

An analogy: Before you start downloading and installing a beta program that tells you it has not been completely tested and is probably full of bugs, wouldn't you create a restore point on your computer's hard drive? A restore point is a spot along a continuum of your operating system's history, that point just before you start downloading that iffy program, so when everything goes haywire, you can just bring your operating system back to the place before you tried installing that program.

In other words, because Fracking includes an industry reluctant to divulge what chemicals it's using, and

a state reluctant to make them divulge that information, shouldn't we find out for ourselves what the place looked like before they meddled in it?

Shouldn't New York State do a comprehensive monitoring of our environment and find out how it is behaving before we launch thousands of Fracking sites? Why is the state sitting on its butt while concerned citizens have to go out and do their job? Why isn't the state monitoring our water now so we'll know what we are risking? Because once we allow Fracking , we'll be another state than the one we are now.

State Disclosure Policies , Oversight of Natural Gas Fracking are Inadequate Protection for Water Supplies, Public Safety, New Report Finds

Targeted News Service (USA) - Saturday, July 28, 2012

WASHINGTON, July 9 -- OMB Watch issued the following news release:

In a new report issued today, OMB Watch finds that state oversight laws requiring disclosure of the chemicals used in natural gas fracking are in need of an overhaul. Disclosure of the chemicals used in hydraulic fracturing , or " fracking ," is spotty and incomplete, and essential safeguards are missing.

"Public officials in state government are struggling to find a way to protect water supplies and public health in the wake of the rapid expansion of natural gas drilling and extraction. They haven't gotten it right yet," said Katherine McFate, president of OMB Watch. "Some of the chemicals used in natural gas fracking have been linked to serious health problems, including cancer and kidney, liver, and neurological damage, so it is imperative that local water supplies be carefully monitored and protected."

The report, *The Right to Know, the Responsibility to Protect: State Actions Are Inadequate to Ensure Effective Disclosure of the Chemicals Used in Natural Gas Fracking* , examines state disclosure laws and rules and identifies the gap between effective policy and existing practice. The analysis is especially timely given the ongoing boom in natural gas extraction: almost half a million natural gas wells are operating in at least 30 states, and more are planned.

The report asserts that an effective chemical disclosure policy should contain the following elements:

- * Before receiving a drilling permit, the owners and operators of natural gas wells should gather baseline information on nearby water sources and water and air quality. They should disclose the chemicals they intend to use in the fracking process and commit to regularly monitoring the water and air near the gas wells and near wastewater storage facilities for potential contamination for as long as the well is operating and for some period after operations have ceased.

- * Information on the chemicals used in fracking should be collected from drilling companies, well operators, and manufacturers and should include specific information on the unique chemical identification numbers, concentrations, and the quantity of the chemicals used.

- * States should have clear guidelines limiting "trade secrets" exemptions from disclosure laws to prevent companies from invoking this loophole to avoid disclosure.

- * Information about the chemicals used at each individual well where fracking occurs should be posted on a public website in a way that allows users to easily search, sort, and download data by chemicals used, companies involved, and well location.

"Some states, like Colorado, do a better job than others of making chemical information available to the public, but no state is requiring enough upfront collection of baseline data and ongoing monitoring to adequately protect local water supplies and public health. Citizens need to have adequate information to evaluate the potential risks and rewards of allowing natural gas fracking in their communities," said Sean Moulton, Director of Information Policy at OMB Watch and an author of the report.

Because of a major loophole written into the Energy Policy Act of 2005, natural gas fracking activities have been exempt from federal oversight under the Safe Drinking Water Act. As a result, oversight of

fracking has shifted to the states.

Over the past three years, 13 of the states with natural gas extraction activities have established rules or laws to require some level of public disclosure of the chemicals used in fracking . Seven states with significant amounts of fracking have no public chemical disclosure requirements, even though a few of them do regulate drilling to a certain extent.

"We hope this report will encourage state and local authorities to improve their chemical disclosure standards, especially in those regions of the country most involved in and affected by natural gas fracking ," McFate concluded.

The Right to Know, the Responsibility to Protect is available online at www.ombwatch.org/naturalgasfrackingdisclosure.

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Memo: Brian Gumm, 202/683-4812, bgumm@ombwatch.org

Chair Robertson in Washington to Speak Out Against Gas Drilling

Targeted News Service (USA) - Saturday, July 28, 2012

ITHACA, N.Y., July 27 -- Tompkins County issued the following news release:

Tompkins County Legislature Chair Martha Robertson is in the nation's capital today, where she is meeting this afternoon on Capitol Hill with staff of the U.S. Senate Committee on Energy and Natural Resources to express the Legislature's concern about hydrofracking .

"My purpose in meeting with the staff of the Senate Energy Committee is to raise awareness of the destructive carbon footprint of shale gas compared to other fossil fuels," says Robertson. "Most research to date finds that shale gas development releases far more methane than conventional gas, and methane is 72 times more damaging than carbon dioxide in heating up our atmosphere, over a twenty-year time frame. At our current pace of warming the planet, we don't have twenty years before we'll see terrible consequences around the globe. The many other dangers of shale gas are more well-known, but I believe its effect on climate change is the most troubling."

Robertson is meeting with Patty Beneke, Democratic Senior Counsel, and with Committee staff members Sara Tucker, Kevin Rennert, and Kelly Kryc.

On Saturday, the Chair will also participate in a national rally against hydrofracking , sponsored by the organization "Stop the Frack Attack."

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SR area drill sites bring fracking closer - Shell exploring farmland; camp testing water

Allied News (Grove City, PA) - Friday, July 27, 2012

Author: Monica Pryts, Staff Writer

BUTLER COUNTY – Two oil and gas well drilling sites in the Slippery Rock area have people talking about the controversial fracking process.

Some are sharing their thoughts while others are hesitant to say much.

"Everything's going good...I haven't heard any negatives about it," said Paul Dickey, chairman of the Slippery Rock Township board of supervisors.

He was referring to a drilling site at 672 Franklin Road owned by Sylvia A. Williams, who has leased part of her 142 acres of farmland to Shell Exploration & Production Co., LP of Warrendale.

Shell is still in the exploratory phase, drilling five or six test wells to see what's there, so they haven't

reached the fracking stage yet, Dickey said.

Hydraulic fracturing , or fracking , is a process that injects chemically treated water into wells to fracture shale thousands of feet underground and release trapped gas or oil.

The Marcellus Shale lies a mile or more down in parts of Pennsylvania, New York, Ohio and West Virginia. Health and environmental groups claim fracking can contaminate drinking water; gas companies say it's safe if done properly.

" Fracking is just an evil word to some people," Dickey said.

Recent federal and state laws have taken away most of local officials' control of well monitoring, but activity at the Franklin Road site appears to be going well, he said, adding the township hasn't had any complaints from residents.

Dickey is manager of the Slippery Rock Municipal Authority, so he had some concerns about how drilling could affect the local water supply.

"There's very little control we have left," he said of drilling.

He spoke with a geologist, engineer and state municipal authority and rural water associations, who all told him they didn't foresee any problems.

And Shell tested the municipal authority's wells to have baseline data for comparison to future samples to see if the drilling has any effect on the water, Dickey said.

Now township officials are working on revising an ordinance that deals with well drilling. It's an ongoing discussion that could come up at any meeting, he said.

Williams didn't want to comment on the drilling on her property except to say she didn't have any complaints. Her children said the rig had been erected at the site but was taken down recently and they don't know why.

The entrance to the site is on Harmony Road but laborers there with Xcorts, a division of ECM, told Allied News photographs were prohibited.

According to the ECM website, Xcorts is a pilot car service dedicated to the oil and gas industry. A sign at Harmony and Franklin roads read "Nabors Drilling USA, LP, Rig 712."

There is a rig set up at the second drilling site in Worth Township, and it's easily visible from Interstate 79.

The farmland where it sits is on West Liberty Road and is owned by William and Dee Dee Drake, said Claire Martin, the township's secretary and treasurer, who also said the township hasn't had any complaints about the drilling, a Shell project in the testing phase.

About three miles from the drilling site is Slippery Rock Campground, which is keeping a close eye on things.

"This is all new to us," said Diane Falvo, campground manager.

She and her staff haven't noticed anything out of the ordinary but they're still learning about the drilling process. Falvo got advice from the state Department of Environmental Protection about testing the campground's well water because she hasn't been able to get in touch with someone from Shell.

"We don't really know what to expect," she said.

The campground already tests its well water several times a year, but they recently started more

extensive testing to look for contaminants like methane and benzene.

But the campers don't need to worry because everything has checked out OK so far, Falvo said. The campground itself has a lease agreement with Shell for drilling, a deal made six or seven years ago; there has been no drilling or testing, Falvo said, declining to further discuss the deal.

Shell and the Drakes didn't return messages.

Slippery Rock Township supervisors meet at 8 p.m. on the second and fourth Monday of the month.

Published July 18, 2012, in Allied News. Pick up a copy at 201 A Erie St., Grove City.

Caption: Shell Exploration & Production Co., LP, Warrendale, is drilling test wells on farmland owned by the Drake Family on West Liberty Road, Worth Township, Butler County, and elsewhere. This rig is visible from Interstate 79 near the Slippery Rock exit. Monica Pryts/Allied News

DEP probing Pulaski drill site complaint

Allied News (Grove City, PA) - Friday, July 27, 2012

Author: Monica Pryts, Staff Writer

LAWRENCE, MERCER COUNTIES – The gas and oil drilling industry has its share of watchdogs, including government agencies, environmental groups, landowners and concerned residents.

The Pennsylvania Department of Environmental Protection has been monitoring drilling activities for violations and are now investigating a complaint out of Pulaski Township, Lawrence County, said Kevin Sunday, an information specialist with DEP, Harrisburg.

Drill operators are required to report to DEP within 24 hours of any complaint of impacts to water supplies.

Hilcorp, which has a drill site in the township, got a complaint May 28 of a potentially impacted water supply but didn't report it to DEP until May 31.

"DEP continues to investigate the complaint," Sunday said.

DEP did issue Hilcorp a separate violation for sediment that ran off a drill site during a storm, he said.

And then there are watchdog groups run by people concerned about the ill effects of the fracking process, groups like Protect Slippery Rock Citizens' Rights, Citizens' Environmental Association of the Slippery Rock Area and the Alliance for Aquatic Resource Monitoring, or ALLARM, based out of Dickinson College.

William Drolsbaugh of Sharon, a retired forester, attended an ALLARM water testing training workshop at Westminster College on June 30. Since June 2010, according to a news release, ALLARM has worked with more than 50 community groups across the state to collect and interpret water quality data. The grassroots training has provided more than 700 volunteers in 27 Pennsylvania counties with resources and equipment to monitor local creeks and streams for any harmful effects of Marcellus drilling.

The group has a wealth of information and Drolsbaugh learned more about the gas and oil industry, safe water testing and how to monitor water quality.

"The more you study this stuff, the more you find out about the bad things that happen," he said.

Drolsbaugh lives in an apartment and doesn't own any land, but he considers himself an example of how everyone should be worried about the potential the fracking process could have on the environment and drinking water.

"Proper disposal of that water is controversial," he said of the contaminated wastewater created by the

fracking process.

He's been doing his research and urges others to do the same, especially anyone considering leasing their land for oil and gas drilling.

"You can't drink money," Drolsbaugh said of how some people don't think beyond the cash in hand because they're so swayed by the industry's sales pitch.

And the industry heads are touting long-term employment for drilling-related jobs, which Drolsbaugh doesn't believe.

"These jobs at best are two to three years," he said.

His next step is to get a water testing kit and Drolsbaugh said ALLARM's website has a lot of helpful information that's easy to understand.

"Do your homework," he said. ALLARM on the web: blogs.dickinson.edu/marcellusmonitoring

Published July 18, 2012, in Allied News. Pick up a copy at 201 A Erie St., Grove City.

Fracking reduces pollution, does not hurt drinking water

Citizen's Voice, The & Sunday Voice (Wilkes-Barre, PA) - Friday, July 27, 2012

Editor:

A July 5 letter entitled " fracking " misses the point regarding an April op-ed written by Lou D'Amico of the Pennsylvania Independent Oil and Gas Association.

The writer improperly asserts that D'Amico's remarks reflect "the attitude of the industry toward the thousands of residents of this state." But if you take a moment to actually read D'Amico's column, you'll see his comments were directed at inaccurate media coverage, and improper assertions by activists, that seek to blame everything under the sun on the development of natural gas from the Marcellus Shale, often without supporting evidence.

The writer also questions the safety of hydraulic fracturing .

But according to federal officials, hydraulic fracturing has never impacted water resources.

This has been confirmed by multiple state regulators and federal administrators including EPA administrator Lisa Jackson, who recently stated that "in no case have we made a definitive determination that the fracking process has caused chemicals to enter groundwater." Interior secretary Ken Salazar echoed these remarks earlier this year when he stated, "From my point of view, (hydraulic fracturing) can be done safely and it has been done safely."

The development of natural gas from shale is also helping the United States reduce its carbon footprint, most recently confirmed by data from the International Energy Agency that found the U.S. is now leading the world in carbon reductions on a percentage basis (7.7 percent) - thanks mostly to increased natural gas use.

These aren't opinions, or assertions from deeply flawed studies, these are irrefutable facts that are inconvenient to those seeking to curtail the safe and responsible production of natural gas from shale or any other formation.

Wayne Weaver Centermoreland

Perinton looks to put ban on hydrofracking - GAS DRILLING

Daily Messenger (Canandaigua, NY) - Friday, July 27, 2012

Author: Bethany Young; byoung@messengerpostmedia.com

PERINTON - The Town Board has introduced a draft law that, if passed, comes close to completely banning the practice of hydraulic fracturing in the town.

The board presented three amendments to the existing town zoning code on Wednesday that explicitly prohibit all extraction, exploration and storage of petroleum and natural gas. The proposed changes also include changes to the wording in the excavation law to further prevent the practice.

According to the draft law, the purpose of these revisions is "to avoid the adverse impacts from these prohibited uses and to protect the health, safety, and welfare" of town residents. The wording also prohibits the use of landfills to dispose of waste produced by fracking.

The proposed changes came in response to the request the Citizens' Alliance for a Pristine Perinton (CAPP), an anti- hydrofracking group that was formed earlier this year. They first asked the board to enact a fracking ban in March.

Now that they've seen the town respond, several representatives say they are happy with the town's actions.

" We know it was a hassle, but it will protect Perinton and the area, and we thank you for that," said CAPP member Rosemerie Stepanik.

Fellow member Joe Hoff voiced his support for the revisions at Wednesday's meeting, calling them "strong" moves that will ensure the town will be safer for generations to come.

" The thoroughness of their ordinances now unequivocally protects the residents of Perinton of the future," said Hoff, a grandfather of three. " It assures that their quality of life will remain at the same level." There will be a hearing on whether to pass the proposed amendments into law on Aug. 22, at Perinton Town Hall.

County board hears opinions on fracking

Marion Daily Republican, The (IL) - Thursday, July 26, 2012

Author: Riley Swinford; Daily Republican

MARION - To frack, or not to frack? That was the question at a special meeting of the Williamson County Board Wednesday night at The Pavilion of the City of Marion.

Williamson County Commissioner Brent Gentry called the meeting as a public forum on the subject of hydraulic fracturing , also known as " fracking ." Fracking is a practice used to bring natural gas deposits to the service by pumping a mixture of water, sand and chemicals down a well to fracture the shale that is trapping the gas.

Gentry invited anyone who would like to know more about the subject and a crowd of over 100 people filled the banquet room at The Pavilion.

The meeting brought a large group of protesters and supporters, eager to express their opinions to the board. Gentry warned, however, that no board decision would be made Wednesday.

The purpose was just to listen and educate themselves, along with everyone else.

The board heard from numerous speakers who expressed concerns and offered expertise on the subject to the board.

The majority of those against fracking are concerned that the practice brings water contamination.

Liz Patula of Williamson County said that she is aware of several who have had to abandon their homes due to environments that were killing them. She also pointed out that fracking can affect residents who

don't even live on fracking land.

"Do we want industrial centers in our backyard?" Patula asked the board. "I am here to ask commissioners to find a way to prevent fracking in Williamson County."

Others against the practice warned that fracking can cause cancer and bring negative effects to the area for years to come.

One speaker also warned that banks don't give loans on homes near fracking and insurance companies often deny support for homes near fracking .

"It is not safe and clean," Jeff Driver said. "We need a comprehensive set of rules. The state of Illinois is not a suitable laboratory to work out concerns."

Penni Livingston, an attorney from Fairview Heights, Ill., has spent 25 years working to clean up the state's environment.

When addressing the board, Livingston cautioned, "Nothing I've done in 25 years cleaning up the environment will even compare. Please have courage. Be the first county in Illinois to ban fracking ."

Louise Cook, a lawyer from Vienna, presented some of her research to the board. She primarily discussed the subject of water pollution and told the board that dozens and dozens of proven cases have been found.

"In every state that there's fracking , there's pollution," she said.

When Gentry notified Cook that she was reaching the two-minute limit that speakers were given, Cook told the board that she will offer her services free of charge for the county or any other county for research on the subject.

Cook's promise drew a standing ovation from the crowd.

Kevin Reimer, a Marion native now living in Harrisburg, was present as a supporter of fracking . Reimer is a Geologist and presented some of the positives that fracking can bring.

"There's no signs that hydraulic fracturing has contaminated a fresh water source," Reimer said. "I've got a 9-year-old and I don't want to see our groundwater contaminated."

Reimer explained the process of fracking as "taking a fluid and pumping it into a rock faster than it can absorb.

It opens micro fracturing less than a millimeter in width and consists of 90-percent water. There are zero cases of contaminated water."

Ron Osman of Marion also spoke in favor of fracking . Osman, a Marion attorney, spoke with 15 years of experience in the oil and gas business and has negotiated leases in several counties.

Osman noted the potential of this industry for southern Illinois. He explained that there are 13 leasing companies in the Illinois Basin and over \$100 million has been spent so far and \$400 million will probably eventually be spent in just leasing. Currently, Osman said that over 30 workers from Woolsey Energy Corp. already live and work in Williamson County.

Osman stressed that business is being conducted properly.

"The Illinois Department of Natural Resources will not issue a lease without a complete contract (with the owner of the mineral rights)," Osman said. "It is not a new technique.

There is no chance of groundwater contamination."

Osman also cited a recent case in which the Environmental Protection Agency told Congress that no case of groundwater contamination has been found. Osman said the industry is regulated well.

"Technology has the capability of making southern Illinois an industry that will create a bunch of jobs and oil," he said. "I will not do anything based upon science that will contaminate the ground water.

"Look beyond the passion and look at the facts."

Caption: Louise Cook, a lawyer from Vienna, presented some of her research on fracking to the Williamson County Board at a special meeting of the Williamson County Board Wednesday night at The Pavilion of the City of Marion. BILL SWINFORD/DAILY REPUBLICAN Ron Osman, a Marion attorney spoke in favor of fracking . BILL SWINFORD/DAILY REPUBLICAN Fracking protesters had signs at Wednesday night's public forum at The Pavilion of the City of Marion. BILL SWINFORD/DAILY REPUBLICAN

Memo: More about fracking

The University of Illinois Extension will present a free program on leasing farmland for oil and gas production at three sites next week. The program will be in Williamson County at John A.

Logan on Aug. 1 from 6 to 8:30 p.m. in conference rooms F 1118 and 119. Pre-registration is required online at: web.extension.illinois.edu/fjprw, or by calling 618-993-3304.

US to Study Possible Fracking Pollution

Observer-Dispatch (Utica, NY) - Thursday, July 12, 2012

PITTSBURGH - A study being done by the Department of Energy may provide some of the first solid answers to a controversial question: Can gas drilling fluids migrate and pose a threat to drinking water?

A drilling company in southwestern Pennsylvania is giving researchers access to a commercial drilling site, said Richard Hammack, a spokesman for the National Energy Technology Laboratory in Pittsburgh.

Hammack said the monitoring will go on for at least a year, but that the department will release information earlier if there's proof the fluids migrate to upper testing levels.

The Associated Press

Caption: AP FILE PHOTO Environmentalists have claimed fluids associated with hydro fracking could rise and pollute shallow drinking water aquifers. The industry and many government officials say the practice is safe when done properly, but there have also been cases where faulty wells did cause pollution. The Department of Energy is studying the issue. Above: Demonstrators rally against hydrofracking last winter in Albany.

U.S. Chamber's Pro- Fracking Tour Proves Its Limited Knowledge of Energy Realities

Targeted News Service (USA) - Saturday, July 28, 2012

WASHINGTON, July 27 -- Public Citizen issued the following news release:

Come one, come all. Gather 'round for a pair of misguided tours touting the benefits of fracking , one organized by the U.S. Chamber of Commerce and the other by the American Petroleum Institute.

The Big Business mouthpieces are hosting a series of rallies and spending millions in political advertising in - what a shock - key election swing states such as Ohio, Pennsylvania and West Virginia, urging the Obama administration to do more to promote hydraulic fracturing . But the Chamber must have been too busy flapping its jowls to read today's Wall Street Journal story (and others) describing how major natural gas producers are posting disappointing returns and even losses because - get this - there's too much natural gas production already. Case in point: The U.S. recently surpassed Russia as the leading natural gas producer on the planet.

Not only is the surplus more than our market can consume, it is more than our atmosphere can handle.

Advances in extraction technologies are allowing big polluters to get to resources that once seemed out of reach. That may mean short-term profits for the gas and oil industry but, for the rest of us, it means adjusting to the painful realities of climate change. Pushing the fracking agenda is bad business any way you look at it.

This proves that the Chamber is pushing a political, rather than a business, agenda. This is particularly the case as the Chamber dismisses genuine environmental and public health concerns associated with fracking as pandering to Obama's "environmental voter base." How cynical can you get: a corporate trade association dismissing genuine grassroots concerns about water contamination, increased emissions from wells and trucks? Shame on the Chamber: There is no such thing as benign fossil fuel extraction. There are real impacts on real people living across America, many of whom are organizing this weekend in the first national rally against fracking. The Chamber's dismissal of their concerns as political pandering is offensive.

A sound energy plan is one that would empower Main Street communities to take the lead on sustainable energy independence through the promotion of rooftop solar, energy efficiency incentives, mass transit and other job-creating clean energy investments.

Maybe it's best for the Chamber to give its advertising expenditures to charity and leave energy policy to those who actually know what they're talking about.

For information on this weekend's events, visit:
<http://www.energyvox.org/2012/07/25/stop-the-frack-attack/>.

TNS MkTanz120728-JF78-3969994 StaffFurigay

Hydro- fracking ' film draws crowd, exchange of barbs \ - Opponents question ? details in ?Truthland'

Buffalo News, The (NY) - Friday, July 27, 2012

Author: T.J. Pignataro - News Staff Reporter

"Hydro- fracking ." For those on either side of the debate, the use ? or misuse ? of the word alone can stimulate the heart as quick as any pot of coffee, pack of smokes or rush-hour traffic jam.

Thursday evening, during a gas industry-sponsored event and screening of new pro- fracking film, "Truthland," at Burchfield Penney Art Center on the Buffalo State College campus, proved to be no exception.

Both sides traded barbs in their passionate tussle to control the message over whether blasting high-powered water and chemicals through buried shale to liberate and harness trapped natural gas for energy use is beneficial or harmful to the residents of New York state.

"We're taking the time to present the facts in a reasoned and well-thought out manner," said Dennis Holbrook, an East Aurora resident who is the executive vice president of Norse Energy and ? as a 40-year veteran of the gas industry ? favors using hydraulic fracturing in the state.

"There's been so much misinformation out there," Holbrook said. "I think it's critically important for people to understand what a tremendous opportunity this really is."

But many of the roughly three dozen or so in attendance seemed unmoved by either Holbrook's explanation or those offered by the two other panelists, Scott Cline of Petroleum Engineering and John Holko, owner of Lenape Resources.

Those opposed to hydraulic fracturing chuckled and offered several catcalls during the 34-minute film that features Pennsylvania mother and landowner Shelly Depue, on a her personal pursuit for "the truth" about the hydro- fracking process after she and her family watched Josh Fox's 2010 documentary "Gasland."

"Gasland," an award-winning HBO documentary film, identifies what it calls "the crisis of gas drilling" and

deleterious effects it says it's had on communities nationwide.

In "Truthland," Depue, who lives on a Pennsylvania farm atop the coveted Marcellus Shale, sets out to learn whether drilling on her property was safe for her family.

"When we were told we could have natural gas under our farm, we felt very blessed. But that excitement was tempered somewhat by the negative stories we had heard about hydraulic fracturing," Depue said in a statement. "The science teacher in me had questions and I owed it to my family to go out and find out what was real."

In the film, which was underwritten by industry and a project of the Independent Petroleum Association of America and Energy In Depth, Depue travels around the country and meets with various experts, including geologists, state and federal environmental officials and residents about their experiences with hydraulic fracturing.

Her conclusion? "The truth is that Gasland is mostly hot air," Depue says at the end of the film.

Depue was to be in Buffalo on Thursday. In fact, she was ? for only a matter of minutes. Just after her arrival, she turned around and headed home. The violent storms that swept through the Northeast on Thursday caused some damage to her farm, forcing her back to Pennsylvania.

Industry professionals openly acknowledged that "Truthland" was a reasoned response to "Gasland" in order to correct what it viewed as the film's gross misinformation and errors about the "fracking" process, as well as to provide the industry's side of the debate in a simple, easy to understand film of its own.

Holbrook said it's geared to the "open-minded" populous who have heard about hydraulic fracturing, but might not totally understand it because of what they've heard from the vocal opposition's "misinformation."

Many of those opponents in the audience Thursday suggested the film was nothing more than "industry propaganda." They questioned the panel not only about the safety and efficacy of hydraulic fracturing but about the chemicals used in the process, perceived lack of governmental oversight and inherent dangers involved in the activity.

Jim Holstun, for instance, took aim at the simplicity of Depue's argument that the chemicals used in the process are commonly found "around the home." Holstun cited Hydrochloric Acid, Toluene and Benzene as three of those chemicals.

"I looked around my house, I couldn't find any," said Holstun.

Industry officials said the solutions used to perform hydraulic fracturing are "composed of 99.5 percent water and sand and .5 percent other additives, including some chemicals." They refuted claims the activity leads to the pollution of ground and well water, adding recent scientific evidence has confirmed those facts.

"There is no pathway from whatever fluids we are using to the groundwater," said Cline.

One of the fracking proponents in the audience, Kimberly More of Otsego County, wants the state to lift its current moratorium on the practice in New York State. Like Depue, More says she did her own "homework" to learn about its safety and found opponents were using "scare tactics" to manipulate public opinion.

More, who says she has a substantial plot of property near Cooperstown, is sold on the safety of hydraulic fracturing.

"I wish they'd drill in my front yard," she said.
email: tpignataro@buffnews.com

Caption: Robert Kirkham/Buffalo News From left: Scott Cline, of Petroleum Engineering, Dennis Holbrook, a Norse Energy executive, and John Holko, owner of Lenape Resources, were on the panel discussing the film "Truthland."

For the Record - Fracking in North Carolina neither imminent nor inevitable

Charlotte Observer, The (NC) - Friday, July 27, 2012

Author: Ruth Samuelson From N.C. Rep. Ruth Samuelson, R-Mecklenburg:

Two big misconceptions persist regarding the bill adopted recently by the state legislature that legalized hydraulic fracturing - also known as "fracking" - as a means of extracting natural gas in North Carolina.

The first is that it only became law because the Republicans unfairly would not allow Rep. Becky Carney to change the vote she mistakenly cast in favor of overriding the governor's veto of the bill. The truth is that House rules do not allow members to change their votes when doing so would change the outcome of the overall vote, as it would have in this case.

The controversy over Rep. Carney's error unfortunately overshadowed the fact that the bill actually had broad bipartisan support, including from both the Republican and Democratic candidates for governor. If it hadn't passed during this session, some form of fracking bill would likely have passed in the next.

And, it's quite possible that it would not have included the multiple public protections included in this bill.

That brings me to the second misconception I want to address: that fracking is imminent or even inevitable in North Carolina.

The new law calls for the creation of a 15-member Mining and Energy Commission to develop regulations governing hydraulic fracturing in our state, particularly with an eye toward addressing potential groundwater contamination issues.

The law sets a deadline of October 2014 for the commission to have regulations in place, and it specifically states that no permits will be issued until and unless the General Assembly takes additional legislative action to allow it.

If we decide that fracking should be permitted, we may not see the first permits issued until 2015. What happens between now and then is critical.

House and Senate appointments to the commission have been set, but the governor has not announced her four appointments. Its first quarterly report to two legislative oversight commissions, including the Environmental Review Commission, is due no later than January 1.

As co-chairman of the Environmental Review Commission, I will be following these reports closely, and I won't hesitate to ask for additional written and oral reports as necessary.

The Mining and Energy Commission should take to heart the law's requirement that it include input from scientific and technical advisory groups, fair-minded industry and environmental advocacy groups and city and county government representatives.

It should seek broad public participation during its public meetings, which will be held at least twice quarterly. It should go to great lengths to make any information it receives readily available to the public.

In short, the Mining and Energy Commission should do everything within its power to ensure that this is a process of unprecedented openness and transparency.

If it does not, the people of North Carolina will not have confidence that the regulations the commission establishes adequately protect our precious drinking water resources. Until and unless that confidence exists, I will not advocate the permitting of the first hydraulically fractured well site in North Carolina.

About that, there should be no misconceptions.

Caption: Samuelson

Bainbridge business community encourages Gov . Cuomo to lift drill moratorium

Evening Sun, The (Norwich, NY) - Friday, July 27, 2012

Author: MELISSA DECORDOVA Sun Staff Writer mdecordova@evesun.com

BAINBRIDGE -The 50-year-old, non-profit Bainbridge Development Corporation is encouraging New York State Gov.

Andrew Cuomo to lift the current moratorium on the issuance of horizontal hydraulic fracturing permits.

The news comes following similar endorsements of natural gas drilling this month from the Village of Bainbridge and the Town of Bainbridge (combined pop.

4, 660). Bainbridge sits upon vast amounts of natural gas within the Marcellus Shale formation that is deep enough to drill. Gov.

Cuomo said in June that areas in the Southern Tier where development is most likely and whose citizens welcome it will be the first to receive permits.

The proximity of Interstate 88 and the availability of excellent rail service in the town make Bainbridge an attractive and central location for the development of natural gas.

The Sidney, Norwich and Broome County airports offer similar possibilities for access.

"The Bainbridge Development Corporation feels confident that when state regulations are in place, when the moratorium is lifted, and when New York State begins issuing permits for the construction of wells employing state-of-the-art technologies for horizontal natural gas drilling, it will lead to a period of increased prosperity and benefit for all the citizens of the Town of Bainbridge," stated a press released issued by Bainbridge Development Corporation President Lew Whitney.

Comprised of a group of local citizens, the Bainbridge Development Corporation's mission since 1962 has been to promote enterprise and spur job growth. To that end, members observed drilling operations in Bradford County, Pennsylvania, talked to officials there and attended a seminar presented by Penn State University experts familiar with the natural gas industry. They studied the following issues related to hydraulic fracturing :Roads, noise and light, visual, water, traffic, housing, infrastructure, unemployment, schools, farming, industrial development, local energy costs, royalties, increased revenues and environmental concerns.

Environmental concerns are by far the most polarizing issues when it comes to natural gas development by hydraulic fracturing . The corporation determined that New York is poised to enact regulations that will ensure natural gas deposits are extracted without placing the environment or human health in jeopardy.

"There is no credible evidence that drilling operations pose a threat to private or municipal water wells.

This is the position of both the EPA and the Pennsylvania Department of Environmental Conservation. The Village of Bainbridge derives its water from relatively shallow wells in the Susquehanna River aquifer.

Marcellus shale deposits are located many thousands of feet below that aquifer and are separated from the aquifer by bedrock.

Furthermore, proposed regulations related to preventing infiltration from well casings will be much stricter in New York than in Pennsylvania," the release states.

Members of the village board gave their unanimous approval for gas development to proceed when they

signed a franchise agreement on July 17 with the New York Leatherstocking, a company that proposes to build pipeline from local wells to Amphenol and the former Mead-Westvaco corporations and to schools, municipal buildings and homeowners. The town board endorsed the DEC's ability to regulate the industry on July 10.

During the past decade, the Bainbridge Development Corporation acquired and developed the Bainbridge Business Park, which currently houses the Germond Chiropractic Health and Wellness Center, the local VA Clinic, Upturn Industries, Rice's Plumbing, Heating and Electrical Sales and Service, Michelle A.

Gifford's Family Dentistry practice, and the Mission Support Center of the Presbytery of Susquehanna Valley.

For a copy of the complete resolution, contact Whitney, Bainbridge Development Corporation president, at 967-8102, or via e-mail at lwhitney4@stny.rr.com.

Sand mine moratorium proposed in Lake Hallie

Leader-Telegram (Eau Claire, WI) - Friday, July 27, 2012

Author: Chris Vetter, The Leader-Telegram, Eau Claire, Wis.

July 27--LAKE HALLIE -- No one has approached Lake Hallie officials about opening a sand mine or a sand processing plant within the village, said Village President John Neihart.

However, that hasn't stopped a small group of people from approaching the Village Board to request that a mining moratorium be put in place.

"We've had some people come and say something is in the works," Neihart said. "Nobody has approached the board, from a company."

The Lake Hallie Village Board met Thursday to discuss whether the village should consider a moratorium.

"The residents want a moratorium," he said.

David Nashold, project engineer with the Chippewa County Conservation and Forest Management Department, said no company has approached county officials about any operations in the Lake Hallie area.

Nashold added that the sand being mined in the county, used in a processing method called "fracking," is typically found in towns such as Howard and Cooks Valley, which are on the county's western border. Nashold said Lake Hallie simply doesn't have the geology for sand that would interest processors.

Neihart said the more likely possibility is a sand processing plant coming to the village.

"People are concerned about a sand plant operation, where they would clean it and ship it," Neihart said.

The speculation is a sand plant company would be interested in a spot along 40th Avenue and Highway 124, at or near Landmark Christian Church, because the rail line runs through that site.

Neihart said if the village approves a moratorium, it would take at least two readings because a moratorium is an ordinance.

The Chippewa County Conservation and Forest Management Department has approved seven reclamation plans for different mine sites in the county, with three others in the works.

The EOG Resources sand processing plant, in the northeast corner of Chippewa Falls, opened in December.

Vetter can be reached at 723-0303 or chris.vetter@ecpc.com.
Memo: --- (c)2012 the Leader-Telegram (Eau Claire, Wis.)

Alliance to test creek's water

New Castle News (PA) - Friday, July 27, 2012

Author: Staff, New Castle News

NEW CASTLE – The Fracking Truth Alliance of Lawrence and Mercer Counties has organized a water testing of the Little Neshannock Creek.

The testing will be done the morning of Aug. 4. The group will meet at 9 a.m. at the field station at Westminster College to confirm testing locations. They will proceed to the stream by 9:30 a.m. The purpose of the citizens group is to explore information regarding the drilling of Marcellus and Utica shales and its the environmental impacts.

Pennsylvania appellate court overturns state fracking law

San Antonio Examiner (TX) - Friday, July 27, 2012

In a decision favoring the plaintiffs, seven municipalities, mostly in southwestern Pennsylvania, a state appellate court overturned parts of the state's new natural gas development law that would have stripped them of zoning rights, giving state agencies sole authority to determine the locations where high-volume hydraulic fracturing , fracking , would be allowed.

The plaintiffs argued that the law, Act 13, compelled municipalities to allow hydraulic fracturing , or fracking , almost anywhere a company requested, without taking into account surroundings such as nearby schools, homes and waterways. The towns were joined by an environmental group and a local doctor, and the complaint was made by Democrats and Republicans alike. John Smith, an attorney for the plaintiffs, said most of the towns already had fracking operations.

Industry advocates, the Marcellus Shale Coalition, contended that the law provided a uniform statewide zoning system that would have further bolstered Pennsylvania's fracking bonanza. The law uniquely gave the oil and gas industry exemption from local zoning ordinances. Marcellus Shale Coalition President Kathryn Z. Klaber said "Lack of uniformity has long been an Achilles' heel for Pennsylvania and must be resolved if the commonwealth is to remain a leader in responsible American natural gas development and reap the associated economic, environmental and national security benefits."

The decision by a four-judge majority on the state appellate court said that local zoning provided for "rational development" so "there is not a pig in the parlor instead of the barnyard." According to the Huffington post report, the four judges in the majority were Democrats, while the three judges in the dissenting majority were Republicans. The ruling is expected to be appealed to the state Supreme Court. Similar issues of who has control over fracking are playing out in other locations around the country where the technique is being used to produce natural gas, and some experts expect this decision to resonate beyond Pennsylvania.

Ohio has a law with similar zoning provisions. Colorado authorities recently threatened the city of Longmont that they planned to sue over its local fracking law. Gas companies are suing several towns in New York for banning fracking , arguing that only the state has jurisdiction over such matters. Homeowners in Dallas, Texas, have also mounted a campaign for stricter zoning and regulation of fracking within city limits.

"States are failing to protect communities from fracking and its various impacts, so the only place people can turn is to is local government," said John Rumpler, senior attorney for Environment America, an environmental advocacy group.

Fracking involves the high-pressure injection of millions of gallons of water and sand laced with chemicals deep underground to fracture shale formations and unlock natural gas deposits. While industry advocates tout it as an environmentally safe, clean alternative to coal, a mounting body of evidence is showing that it fulfills neither promise. A rational look at the energy independence argument further shows it to be only

rhetorical, and even a threat to national security.

Following an Environmental Protection Agency report last December that equivocated on pollution caused by fracking, other reports have found more conclusive evidence of the danger inherent in the process. Additionally, a study conducted by the Chesapeake Bay Foundation, using infrared radar to show methane escaping from fracking sites, has concluded that the practice also leaks significant volumes of methane gas at the wellhead. Methane is 105 times as powerful a greenhouse gas as carbon dioxide. Further adding to fracking's carbon footprint is the fact that the gas is compressed and trucked from the wellhead.

The decision is a defeat for Gov. Tom Corbett and the natural gas industry, which had long sought the limitations on municipal zoning authority. The state attorney general's office did not immediately respond to a request for comment. The state has 30 days to decide whether to appeal.

The subtext in this report reveals two other realities as well. The states, and not the federal government, most often pose the greatest threat to our liberties and welfare. Within that revelation, it is clear that Republican governors and legislatures are by far more threatening.

SHALE DRILLING; Eagle Ford contends for No. 1

San Antonio Express-News (TX) - Friday, July 27, 2012

Author: Vicki Vaughan, STAFF

Highly productive wells and the vast size of the Eagle Ford Shale are combining to make the South Texas shale play a contender for being the best in the nation, according to a new report.

The report, from information and analytics firm IHS Inc., looked at well performance for oil and oil-rich liquids in the Eagle Ford as well as in the Bakken Shale of North Dakota and Montana, currently the nation's top play. The Bakken has more wells than the Eagle Ford, but so far, on a per-well basis, the Eagle Ford seems to be producing more than the Bakken.

The Bakken is more established, and the Eagle Ford is still developing.

This IHS report is part of a broader study that's under way of 27 of the nation's shale plays.

The IHS analysis shows that "Eagle Ford drilling results appear to be superior to those of the Bakken," said Andrew Byrne, director of equity research at IHS and author of the study.

The Bakken shale is the play against which others are measured, Byrne said, because "it was the key play that really opened up development of unconventional resources" using high-tech drilling methods and hydraulic fracturing.

The Bakken first began to show great promise about 12 years ago, Byrne. "The results from the Bakken were so strong that it set the standard by which all others will be measured. It was the one play that incited the industry into pursuing these opportunities."

Now, though, comes the Eagle Ford.

Wells in the Eagle Ford Shale have a stronger flow - 300 to 600 barrels a day of oil and oil-rich liquids, based on average production in a peak month - than in the Bakken, where flow ranges from 150 to 300 barrels a day.

"One of the reasons we really like the Eagle Ford is its potential as a large total resource. It could be one of the best, if not the best, in North America," Byrne said.

"The Eagle Ford covers such a vast area. That also makes this such a strong play," he added. The Eagle Ford sweeps 400 miles from East Texas to counties south of San Antonio and on to the border.

The play "gets uniformly strong results, and that's making the play look that much bigger and better," Byrne said.

"All plays essentially have sweet spots," he said. "What makes the Eagle Ford so good is that the noncore stuff is delivering strong results also. In some other plays, it's only the sweet spot that's economic."

The Center for Community and Business Research at the University of Texas at San Antonio has also prepared studies of the Eagle Ford Shale. Center Director Thomas Tunstall predicts that the Eagle Ford Shale will produce 65 million barrels of oil for 2012. Oil production in the Eagle Ford reached 36.6 million barrels in 2011, according to Texas Railroad Commission data.

It's difficult to predict production from the shale because the rate of production is accelerating, Tunstall said.

"It could be straight line (increase) or could be a factor greater than that," he said.

IHS doesn't yet have an estimate of all the oil that is in the Eagle Ford. "We're working on that," Byrne said.

Last week, Steve Trammel, senior manager of industry affairs for IHS, said in an interview that rig counts are declining in shale plays with much more natural gas than oil because of low natural gas prices.

But drilling is on the rise in shale with oil and "liquids-rich" areas, where wells can tap a mix of oil and condensate, a light oil, and "wet," or liquid, natural gas, Trammel said.

In fact, the highest average monthly production in the Eagle Ford is coming from the formation's liquids-rich window, Byrne said.

Asked which might be the next hot play, Byrne said, "We haven't officially put out that opinion yet. That will have to be reserved until we finish our study."

The energy industry is "very creative," he noted. "It seems like every quarter another play shows up."

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Caption: 1) Drilling rigs like this one in McMullen County are helping to make the Eagle Ford Shale play a contender for the nation's top spot, held at this time by the Bakken Shale of North Dakota and Montana, which has more wells than Eagle Ford. PHOTO: Express-News file photos 2) Eagle Ford Shale's best areas (map) GRAPHIC: EXPRESS-NEWS 3) Eagle Ford workers, here unloading crude oil at the Gardendale Railroad Inc. switching yard near Cotulla, are spread across Texas. PHOTO: San Antonio Express-News

Fracking boom's effects sure to be felt worldwide

Times-Standard (Eureka, CA) - Friday, July 27, 2012

Author: The Rev. Eric Duff/For The Times-Standard

Traveling cross country, slowly by train, the talk is all about the drought. Corn crop nearly destroyed in Ohio. The jury is out in Iowa, but chances are the harvest will be small. Ninety percent of the sour cherry crop has failed. And on it goes. What does this do to the price of things? Corn will be more expensive this year, but with less of it to sell, no one benefits. Prices of everything from gas (remember that cheap additive ethanol?) to most processed foods along with other corn-based products are likely to soar. In Montana, the land of wheat, the temperature is still in the low 100s, and the fields are brown, or uncultivated. The price of bread and other wheat products are likely to rise. As someone pointed out, we forget how dependent not only we, but the rest of the world, is on our harvest.

One couple from Pennsylvania tried to escape the heat by traveling to Seattle. Now they dread returning, because the same searing temperatures prevail in the east. They met at Berkeley as undergraduates, and miss California. However, "we are easterners -- can't imagine living anywhere else." There is evident

sadness as they share this. It's hard to adjust to change, not only in climate but in other areas of well. He is a retired newspaper man. Doesn't like the Web, refuses to read "headlines." I tell him I read various papers online daily, and it really isn't as bad as he thinks. If anything, writers and reporters have a broader audience today than they used to. He's not impressed.

Crossing the state line into North Dakota, there are bright lights on the horizon. Not the setting sun, though it is glorious, but visible signs of a new bonanza -- fracking , a process of forcing water underground at high velocity and pressure to extract gas. Each "well," if that's what they're called, is crowned by a tall pipe, which in turn is crowned by a flame. Some of that gas, anyway, is escaping.

The conductor warns us that if we get off the train, we need to stay close by. Should we be left behind, there is no room at the inn. Every motel is fully occupied by the thousands of workers streaming into the area to work in the new fracking industry. There isn't nearly enough housing to accommodate them. I'm taken with an analogy to the California gold rush a century and a half ago. Visible signs remain in our state of the wounds caused by forcing water, at high velocity and pressure, into watersheds in order to extract the elusive metal. Looking back now, was it worth it? A few prospectors would probably say yes. We couldn't have stopped it even if we tried. There is something inevitable about this boom and bust cycle. The consequences to the environment and future generations take a back seat when there is profit to be made.

Reports are streaming in about ruined water tables from fracking in an already desert-like climate. Will the Midwest recover from this assault? Too soon to know; guess we'll have to wait another century or so to decide. We arrive in the town of Williston, N.D. Mobile homes and trailers are for sale everywhere. Massive car lots, packed with brand new trucks, all for sale. Little roadside bars with full parking lots. Someone's making money, and as in the gold rush of long ago, it's generally the middle man, the one who sells the necessities at inflated prices, who makes out like a bandit.

I'm not sure how this relates to us in northern California, I only know that it will. We've had our share of economic boom times. I think about the mighty redwoods, indestructible but for the ingenuity of humanity. Now that we are taking sustainable forestry seriously, maybe we can salvage something of the economy that was such a force a generation ago. One thing is for certain; we'll never go back to "the way things were." We can, however, try to look ahead, learn from the past, and perhaps do things a little better this time around, before the water table is destroyed, that waters the crops, that feed the world.

The Rev. Eric Duff is an Episcopal Priest, and Licensed Clinical Social Worker. He can be reached at eric6017@suddenlink.net

Officials applaud ruling on shale drilling controls

Valley News Dispatch (New Kensington, PA) - Friday, July 27, 2012

Author: MICHAEL AUBELE

Officials in several Alle-Kiski Valley municipalities and environmental advocates said they are pleased with a Commonwealth Court ruling that restores a substantial level of local control over Marcellus shale natural gas drilling.

A court panel on Thursday overturned portions of Act 13 that gave Pennsylvania the final say on where and when oil and gas drillers could operate. It determined the state can't usurp zoning control from local governments.

"I'm pleased to see (zoning) return to local control and local accountability," Upper Burrell Supervisor Ross Walker III said.

Walker said there haven't been Marcellus wells drilled in the rural and sparsely populated township, although he indicated it might not be long before they appear.

"We have been notified of a couple drilling applications," he said.

Walker plans to have township officials review the local ordinance that governs oil and gas drilling to see if a need exists to create stricter controls. He noted the township ordinance “has more teeth” than Act 13 in regulating drilling.

“I think the fact that Commonwealth Court has agreed this is an unconstitutional infringement on community zoning rights is a big thing,” said Ron Slabe of Upper Burrell, who has been outspoken about the need for strong environmental, safety and zoning regulations associated with Marcellus drilling. “I think the people who have supported the court action are vindicated although we have to remember the opposition will appeal this to the supreme court.”

The state and several of its agencies were defendants and can appeal to the state Supreme Court.

“We are disappointed in today’s ruling and will likely appeal,” said Eric Shirk, a spokesman for Gov. Tom Corbett. “Act 13 is clearly constitutional and received significant input and ultimate support from Pennsylvania’s local government associations and their legal counsel. We will vigorously defend this law, which better protects the environment, provides revenue to local communities and regulatory certainty to both landowners and job creators.”

The state still needs a way to standardize rules, said Kathryn Z. Klaber, president Marcellus Shale Coalition, an industry group whose members pushed for Act 13.

“The premise for the General Assembly’s action earlier this year was to provide certainty and predictability that encourages investment and job creation across the Commonwealth,” she said in a statement emailed widely on Thursday afternoon. “Lack of uniformity has long been an Achilles’ heel for Pennsylvania and must be resolved if the commonwealth is to remain a leader in responsible American natural gas development and reap the associated economic, environmental and national security benefits.”

Corbett in February signed Act 13, which altered the way oil and gas drillers can operate within the state, most notably putting limitations on local zoning standards. It gave priority to drilling and compressor stations in many areas, but levied many restrictions, including a prohibition on drill pads within 300 feet from homes unless drillers obtain a waiver from residents.

Officials in other townships said they were pleased to see local control restored but doubt they need to change their current ordinances.

“I’m very confident the ordinance we passed is good for our residents,” Fawn Supervisor Jason Davidek said.

Frazer Supervisor Lori Ziencik said, “I think zoning should be in the hands of local government,” but added that Act 13 had little effect on the township because it’s so rural officials there didn’t worry about drilling having a severe impact on residential areas.

Frazer has one Marcellus well drilled and two in the process of being drilled, Ziencik said.

State Sen. Jim Ferlo, D-Highland Park, and state Rep. Frank Dermody, D-Oakmont, issued statements saying they were pleased with the court’s ruling.

Several groups and individuals with environmental concerns said they wish the court’s ruling would’ve gone further.

“We would like to see the gag order reversed that prohibits doctors and nurses from sharing the information they get,” said Diane Sipe, a member of Marcellus Outreach Butler, a group concerned with the effects of fracking .

Debbie Borowiec of Upper Burrell, who also has lobbied for stricter environmental oversight of the industry, said: “I think one of the most important things to take away from this court ruling is the confirmation that we do have the right to local zoning to protect our clean air, pure water, and a healthy

living environment, as guaranteed by the (state) constitution.”

Michael Aubele is a staff writer for Trib Total Media. He can be reached at 724-226-4673 or maubele@tribweb.com. Trib Total Media staff writers Timothy Puko and Jeremy Boren contributed to this report.

Local watchdog group blasts Texas university fracking study

Buffalo News, The (NY) - Thursday, July 26, 2012

Author: Jay Rey - News Staff Reporter

A report by a Buffalo-based watchdog group is stirring up some controversy down South in the heart of oil and gas industry.

The nonprofit Public Accountability Initiative on Grant Street is making headlines in Texas for its critical look at a recent University of Texas study that suggests hydraulic fracturing , or hydrofracking , does not contaminate groundwater.

In its report released this week, the Buffalo watchdog group pointed out that the study's lead author failed to disclose he is a paid board member and shareholder in a company that uses the technique to drill for natural gas.

The report claims that University of Texas researcher, Charles "Chip" Groat, earned \$413,900 as a board member for the oil and gas company, Plains Exploration and Production, and amassed more than \$1.6 million in stock during his tenure.

"In essence, you had a gas-industry insider putting out an industry-friendly message and claiming it was an independent study," said Kevin Connor, co-director of the Public Accountability Initiative.

In May, the Buffalo research group also criticized the findings of a fracking report by the University at Buffalo's Shale Resources and Society Institute, prompting some UB students and faculty to call on administrators to cease operations at the institute until more is made public about its origins, staffing and funding.

In response, UB officials said it had no plans to alter or suspend operations of the institute.

The University of Texas, however, has agreed to bring in independent experts to review the report from its Energy Institute.

"The most important asset we have as an institution is the public's trust," according to a statement released by the University of Texas. "If that is in question, then that is something we need to address." jrey@buffnews.com

Anti- fracking group urges Lafayette to impose drilling moratorium

Colorado Hometown Newspapers (Boulder County, CO) - Thursday, July 26, 2012

Author: John Aguilar For Hometown Weekly

An anti- fracking group that recently sprouted up in Lafayette came before the City Council on Wednesday night, July 25, and asked it to place an immediate moratorium on any future hydraulic fracturing in town.

East Boulder County United, a citizens group similar to others that have recently formed around the county to oppose the practice of fracking near residential areas, also wants Lafayette to conduct an air quality study in the city and fund a health impact study of the community.

"We're forming this group to safeguard the health of families and the community from what we know to be a toxic industrial process," said Cliff Willmeng, a two-year Lafayette resident and a founder of the new group.

The City Council made no move on a moratorium but did agree to hold a workshop on the issue.

Those opposed to fracking say the process -- in which a sand-water-chemical mix is pumped underground to loosen hard-to-get natural gas deposits -- contaminates groundwater and air.

Some families in neighboring Erie, where there are several drilling operations under way, have complained of nose bleeds, intestinal distress and headaches as a result of the oil and gas activity in their town.

The industry says there is no proof that the extraction process causes any ill health effects. Several attempts to reach a representative of Energy in Depth, a research arm of the Independent Petroleum Association of America, were unsuccessful Wednesday.

There are not any drilling operations or well permits now filed with Lafayette, which lies on the edge of the gas-rich Wattenberg Gas Field northeast of metro Denver. Mayor Carolyn Cutler said there have been a couple of requests for applications to drill from oil and gas companies in the last 10 years but that those requests were abandoned.

There are 12 active wells in the city that were drilled years ago.

Willmeng said his group realizes that a moratorium might not have much of a practical effect in Lafayette right now, but he said it's wise to tackle the issue before activity starts up.

"We're trying to get ahead of it before we're faced with an utterly dire situation," he said.

John Chinnery, a Lafayette resident who serves on the city's Energy Sustainability Advisory Committee, urged the council to be "leaders and not followers" on the issue. He said fracking has many detrimental effects on communities, including those close by.

"Land values go down, people get sick, move away or die -- I don't see that as a sustainable plan," Chinnery said.

He said with directional drilling methods that allow operators to drill horizontally over long distances, a well pad doesn't need to be in Lafayette's city limits to impact the community.

Resident Ann Griffin said the city's elected leaders should be concerned about the large amount of water used during fracking. The industry says it can take up to 5 million gallons to frack a well.

Councilwoman Christine Berg said in an interview before the meeting that she favors a moratorium in Lafayette if only to give the city the time to update its regulations on resource extraction.

"We can't be reactive," said Berg, who is a community outreach manager for U.S. Rep. Jared Polis, D-Boulder. "This is an opportunity for the City Council to be proactive and to take a look at our process and protect the health and safety of our community."

Boulder County, Erie and Longmont have all passed their own temporary bans on new drilling operations. Erie's expires in September, Boulder County's expires in February, and Longmont's comes to an end next month.

Longmont passed regulations last week that severely restrict drilling in residential areas. On Monday, the state of Colorado informed Longmont that it intends to sue the city over its rules, claiming that regulation of the industry is the province of the state.

Lafayette open space tax extension to appear on November ballot

Lafayette voters will decide this November whether to extend the city's quarter-cent open space sales tax for another 10 years.

The City Council voted Wednesday night to place on the ballot a measure asking voters to keep the tax in place until 2024. The city could collect nearly \$8 million over 10 years to fund acquisition and maintenance of open space in the city.

Lafayette has 1,074 acres of open space and 18 miles of trails. The city wants to build another 11 miles of trails in relatively short order and has its eyes on nearly 1,000 additional acres of land for possible acquisition.

Louisville residents will also be voting on an open space tax extension in November.

Merrion Oil & Gas Co. announces Mancos Shale partnership

Daily Times, The (Farmington, NM) - Thursday, July 26, 2012

Author: Chuck Slothower cslothower@daily-times.com

FARMINGTON – Merrion Oil & Gas Co. announced this week that it has formed a partnership with Bill Barrett Corp. of Denver to test the potential for oil production in the Mancos Shale.

Merrion, a Farmington-based independent producer, had previously said it was partnering with a major company to explore the Mancos Shale. But Merrion had declined to identify its partner until Tuesday.

Barrett plans to drill two horizontal wells on Merrion acreage beginning this fall, assuming that all necessary permits are timely secured, Merrion Oil & Gas announced.

Geologists believe the Mancos Shale is rich in oil across a swath of the south San Juan Basin. Targeting the shale requires expensive horizontal wells and multistage hydraulic fracturing to free the oil. Horizontal wells cost several million dollars, while a traditional vertical well can be drilled into the Mancos Shale for less than \$1 million.

Unlike in other shale plays, most acreage in the San Juan Basin is covered by existing leases after decades of natural gas production here. That gives the local independent companies that hold the leases a substantial bargaining chip.

"We have an acreage position, which is very difficult to come by in the San Juan Basin," said George Sharpe, investments manager for Merrion Oil & Gas. "What they bring to the partnership is capital and expertise."

Merrion has 25,000 acres available to drill, Sharpe said. The company has 19 employees.

Small independent companies do not have the resources to experiment with high-tech horizontal drilling. Larger companies such as Barrett do.

"There's a learning curve that is expensive, and they've got the capital to sustain that, and they've got the drilling expertise of having completed similar wells in other basins," Sharpe said. "They're a great company. They're very innovative."

According to the deal, Barrett must drill two wells on Merrion's acreage by the end of the year. The company may opt to drill more wells.

The first wells are set to be drilled in September near Huerfano, Sharpe said.

Merrion and Barrett are not the only companies exploring the Mancos Shale. Encana Corp., based in Canada, is partnering with Dugan Production Corp. to drill 12 wells targeting Mancos Shale oil.

The first well, Lybrook H36, yielded a 30-day initial production rate of about 440 barrels of oil per day, Encana disclosed to investors last month. Located about 50 miles south of Bloomfield in Sandoval County, the well was drilled to a lateral length of 4,100 feet and at a cost of \$4.3 million.

"Those initial results were very promising and are certainly producing economical rates," Sharpe said.

Encana has a 174,000 net-acre position in the basin, the company said.

Drillers throughout the nation are pursuing oil production while backing away from natural gas projects. Prices are driving the switch, industry officials say.

After dipping below \$2 per thousand cubic feet in April for the first time in a decade, natural gas has somewhat recovered, settling at \$3.13 on Thursday, according to the Henry Hub spot price.

Oil remains far more valuable, trading at \$89.35 per barrel Thursday on the New York Mercantile Exchange.

Additional companies also are rumored to be pursuing partnerships targeting Mancos Shale oil.

Barrett in its most recent investor release touted its exploration in the Uinta Basin in Utah. The company also is exploring several basins in Colorado.

"I have emphasized the importance of execution in 2012 and our team is delivering," chief executive Fred Barrett said.

Bill Barrett Corp. is traded on the New York Stock Exchange under the symbol "BBG." Its stock closed at \$19.66 per share Thursday.

While Mancos Shale exploration is in its early stages, the presence of oil holds out the hope of a major boom like that seen in the Bakken Shale of North Dakota.

"I'll believe it when I see it, but that's the hope – that it'll rejuvenate the basin," Sharpe said.

In North Dakota towns where the boom is happening, it's impossible to rent a hotel room because they've been purchased by energy companies, Sharpe said.

"It's not necessarily good to be that overwhelmed by success," he said. "But it'd be nice to get a little bit of that."

Statement On Fracking Edge Given To Gas Lobby - From the desk of Assemblywoman Michelle Schimel

Manhasset Press (NY) - Thursday, July 26, 2012

Author: 16th State Assembly District

Assemblywoman Michelle Schimel issued the following statement in response to a Times Union article on fracking : "It was very disturbing to learn that the Department of Environmental Conservation gave advanced notice of its proposed shale fracking permit guidelines and regulations to the oil and gas industry. I was hoping for an objective, transparent, process as part of the decision making in writing the hydraulic fracturing regulations.

"In the recent Albany Times Union article it was written that the DEC, through a series of emails, communicated with the oil and gas industry to find out if the proposed regulations were overly burdensome.

"The special access given to the industry seems to place concerns about cost over the need for a health assessment and a review of the long-term effects of property values in the region. My assembly colleagues and I, in our determination for the health and safety of New York State residents, have repeatedly asked for a Health Assessment Impact study." Assemblywoman Schimel has co-sponsored legislation (A. 3245/ S. 3472) that would give local governments control over the issue of hydraulic fracturing , or hydrofracking . Hydrofracking is a method used for natural gas extraction, which takes place in reservoir rock formations.

Assemblywoman Schimel also supported a package of legislation (A. 10234) that would require a health impact assessment for gas drilling and hydrofracking in New York.

EPA finds no sign of fracking pollution

Tulsa World (OK) - Thursday, July 26, 2012

Author: KEVIN BEGOS Associated Press

PITTSBURGH - The U.S. Environmental Protection Agency said Wednesday that it has completed tests on drinking water in the northeastern Pennsylvania village of Dimock and has determined it is safe to drink, despite the claims of some residents who say it has been polluted by gas drilling.

The EPA said in a statement that it doesn't plan further tests and that there's no need to provide residents with alternative supplies of drinking water.

Dimock resident Ray Kemble didn't accept the EPA verdict.

"I don't care what EPA says. The water is still polluted," Kemble said. "Do something about it."

The town became a focus in the debate over hydraulic fracturing , or fracking , when opponents of drilling showed that some residents were able to light their tap water on fire because of high levels of methane gas. But geologists say such contamination can also happen naturally.

Some Dimock residents and anti-drilling groups claimed that Houston-based Cabot Oil & Gas Corp. polluted the local aquifer with methane and toxic chemicals. They have disputed earlier EPA findings that the water was safe.

State environmental regulators previously determined that Cabot contaminated the aquifer underneath homes along Carter Road in Dimock with explosive levels of methane, although they later determined the company had met its obligations under a consent agreement and allowed Cabot to stop delivering bulk and bottled water last fall.

Some had hoped the EPA would be able to settle the dispute.

"Our goal was to provide the Dimock community with complete and reliable information about the presence of contaminants in their drinking water and to determine whether further action was warranted to protect public health," said EPA Regional Administrator Shawn M. Garvin.

But another Dimock resident said EPA's public statements are different from what they tell the area homeowners in private.

"They recommended that we don't drink or use the water but told us they can't go public with that," said Scott Ely, who added that he plans to proceed with a lawsuit against Cabot.

Cabot said in a statement that the tests confirm that the contaminants don't pose a threat to human health or the environment and that its operations in Dimock "have led to significant economic growth in the area, marked by a collaborative relationship with the local community. Cabot will continue to cooperate with federal, state and local officials in using the best and most accurate science to address public concerns."

Kathryn Klaber, president of the Marcellus Shale Coalition, an industry group, said the EPA findings mean "we're now able to close this chapter once and for all."

Shale gas drilling has attracted national attention because advances in technology have unlocked billions of dollars of gas reserves, leading to a boom in production, jobs and profits, as well as concerns about pollution and public health. Shale is a gas-rich rock formation thousands of feet underground, and the gas is freed through fracking , in which large volumes of water, plus sand and chemicals, are injected to break the rock apart.

The Marcellus Shale covers large parts of Pennsylvania, New York, Ohio and West Virginia, and many other shale deposits have been discovered.

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